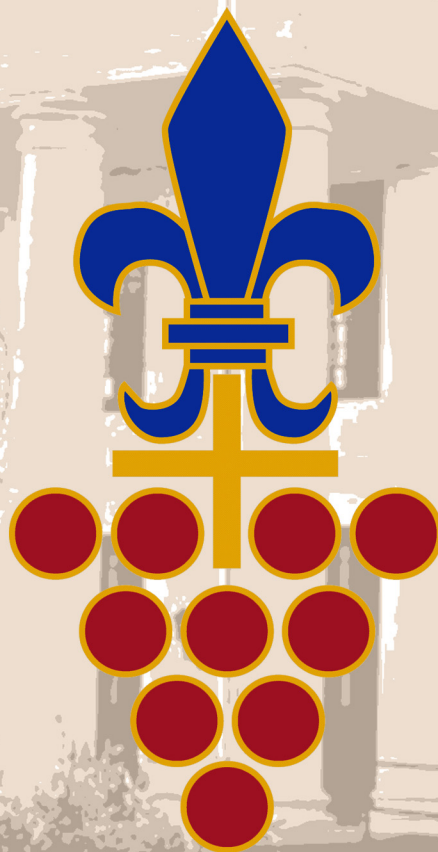


# STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT



Financial Statements for the  
year ended 30 June 2009.

**STELLENBOSCH MUNICIPALITY**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year end 30 June 2009

<b>Index</b>	<b>Page</b>
Report from the CFO	1-5
Statement of Financial Position	8
Statement of Financial Performance	9
Statement of Changes in Net Assets	10
Cash Flow Statement	11
Accounting Policies	12-35
Notes to the Annual Financial Statements	36-71
Appendix A: Schedule of External Loans	71-73
Appendix B: Analysis of Property, Plant and Equipment	74-77
Appendix C: Segmental Analysis of Property, Plant and Equipment	78-80
Appendix D: Segmental Statement of Financial Performance	81-84
Appendix E(1): Actual versus Budget (Revenue and Expenditure)	86
Appendix E(2): Actual versus Budget (Acquisition of Property, Plant and Equipment)	87
Appendix F: Disclosures of Grants and subsidies in Terms of the Municipal Finance Management Act	88
Appendix G: Deviations from, and ratification of, minor breaches of procurement process	89-94
Appendix H: Disclosure in terms of par.25 of IPSAS 20	95-96

## STATEMENT FROM THE DESK OF THE CHIEF FINANCIAL OFFICER

### 1 PREAMBLE

It is my pleasure to give a brief summary of the financial results of our Council for the financial year ending 30 June 2009.

The municipality, being classified as high capacity, is required to implement Generally Recognised Accounting Practices (GRAP). Accordingly the financial statements for the year ending 30 June 2009 have been prepared in the GRAP format and therefore certain historical trends or comparisons does not allow for meaningful analysis.

The operating activities culminated in a surplus of R9 487 770 for the financial period under review. After the necessary transfers to and from the accumulated surplus have been made according to GRAP, the balance of the accumulated surplus at 30 June 2009 was R2 654 374 228 due to the valuation of infrastructure assets.

### 2 OPERATING RESULTS

The financial statements provide an in-depth analysis of the operating results and comply with our accounting policies. The following matters are highlighted as a synopsis of the financial results.

The actual revenue of R574 231 995 compare favorably with the approved income budget of R543 422 812. It is however important to take cognizance of the disclosure of operating, as well as capital grants and receipts included in the operating account in accordance with GRAP. Assets to the value of R35 480 395 were funded out of grants from Provincial and National Government.

The total actual expenditure for this financial period is R544 475 586, compared to the budget of R543 422 812.

Below is a brief overview of categories of expenditure as a percentage of total expenditure.

Expenditure Category	Actual 2008/2009
Salaries & Allowances	32.49
General expenses	33.53
Repairs & Maintenance	6.10
Capital Costs	0.51
Contribution to Provisions	7.85
Bulk Purchases	19.52
	<b>100.00</b>

### 3 CAPITAL EXPENDITURE

The table below depicts an improvement in institutional capacity to deliver on its mandate:

	Budget	Actual	Percentage 2008/2009	Percentage 2007/2008
Capital	R 126 611 128	R 106 356 972	84.00%	82.95%

### 4 INDICATORS AND RATIOS

The following ratios are used as a guide to analyse year on year performance over the previous MTREF:

$$(i) \quad \text{Current Ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

30/06/2007	Restated 30/06/2008	30/06/2009
<u>254 806 576</u> 100 725 382	<u>146,098,540</u>	<u>304,564,024</u> 164,368,633
2.52 : 1	2.1: 1	1.9: 1

The generally accepted norm in this regard is a ratio of 2:1. The ratio for 2008/2009 is still within acceptable norms.

$$(ii) \quad \text{Debt coverage} = \frac{\text{Total operating revenue received} - \text{operating grants}}{\text{Debt service payments (I \& R) due within fin year}}$$

30/06/2007	30/06/2008	30/06/2009
<u>474 016 697 – 82 251 813</u> 6 428 702	<u>493 ,668 ,106 – 19 ,801 ,656</u> 6 428 702	<u>6 428 702</u>
61 : 1	74: 1	85 : 1

As the generally accepted norm for this ratio is unknown, the only measurement is year on year comparisons which shows a positive trend.

$$(iii) \text{ Outstanding service debtors to revenue} = \frac{\text{Outstanding service debtors}}{\text{Actual revenue received for services}}$$

30/06/2007	Restated 30/06/2008	30/06/2009
<div>57 620 657</div> <hr/> <div>391 764 884</div> <div>0,15 : 1</div>	<div>44 730 989</div> <hr/> <div>445 135 892</div> <div>0.10 : 1</div>	<div>57 412 998</div> <hr/> <div>523 942 399</div> <div>0,11 : 1</div>

As the generally accepted norm for this ratio is unknown, the only measurement is year on year comparisons. The ratio shows an increase in outstanding debtors.

$$(iv) \text{ Long-term debt/income} = \frac{\text{Long term liabilities}}{\text{Total income}}$$

30/06/2007	Restated 30/06/2008	30/06/2009
<div>31 159 160</div> <hr/> <div>474 016 697</div> <div>6.6%</div>	<div>27 506 716</div> <hr/> <div>493 668 106</div> <div>5.57%</div>	<div>25 606 816</div> <hr/> <div>574 231 995</div> <div>4.46%</div>

As the generally accepted norm in this regard is 35%, the ratio of Stellenbosch is very good. The reason for the exceptional low percentage overall, is due to Council's preference to finance capital expenditure from own funds.

$$(v) \text{ Debtors/Income} = \frac{\text{Gross Debtors}}{\text{Total income}}$$

30/06/2007	Restated 30/06/2008	30/06/2009
<div>114 091 927</div> <hr/> <div>474 016 697</div> <div>24.07%</div>	<div>92 709 146</div> <hr/> <div>493 668 106</div> <div>18.78%</div>	<div>124 781 780</div> <hr/> <div>574 231 995</div> <div>21.73%</div>

The generally accepted norm in this regard is a ratio of 16.7%.

$$(vi) \text{ Net Debtors/income} = \frac{\text{Gross debtors - working capital reserve}}{\text{Total income}}$$

30/06/2007	Restated 30/06/2008	30/06/2009
114 091 927 – 453 380 85 474 016 697	92 709 146 – 22 654 217 493 668 106	124 781 780 – 41 722 513 574 231 995
14.50%	14.19%	14.46%

The generally accepted norm in this regard is 12.5%.

$$(vii) \text{ Debt servicing cost to total expenditure} = \frac{\text{Interest and redemption}}{\text{Total expenditure}}$$

30/06/2007	30/06/2008	30/06/2009
3 652 527 424 085 277	3 214 351 467 893 606	2 780 891 544 475 586
0.86%	0.69%	0.51%

The generally accepted norm in this regard is 15.0%. The ability to fund our capital programmes from own sources, and not external finance, is the main reason that Stellenbosch Municipality is exemplary in the performance of this ratio.

## 5 CLASSIFICATION OF SERVICES

The various services rendered by Council are arranged per function (directorate) or purpose of expenditure in the various statements and appendixes of the financial statements, in order to comply with the GRAP format of financial year-end reporting.

## 6 STANDARDISATION OF FINANCIAL REPORTING

These financial statements are presented in line with the new Accounting Standards and format of the Annual Financial Statements as standardized by National Treasury and as noted in the Accounting Policy.

## **7 GENERAL**

The overall financial results are generally considered to be acceptable and the positive trends are evident in the abovementioned ratios. In order to sustain and improve this situation , the maintenance of sound financial management practices is required as well as the timeous mitigation of risks that impact on financial sustainability by instituting appropriate measures to address such risks.

## **8 APPRECIATION**

I acknowledge the contribution and sterling work performed by the staff of the Directorate Financial Services during the year under review and in particular the staff of the Budget Office for their unselfish efforts in the preparation of these financial statements.

A handwritten signature in black ink, appearing to read 'MAC BOLTON', with a long, flowing horizontal line extending to the right.

**MAC BOLTON**  
**CHIEF FINANCIAL OFFICER**

**STELLENBOSCH MUNICIPALITY**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2009**

	Note	2009 R	RESTATED 2008 R
<b>ASSETS</b>			
<b>Current Assets</b>		<b>302,857,219</b>	<b>302,079,888</b>
Inventory	2	6,256,097	6,345,937
Consumer Debtors	4	55,706,193	44,730,989
Other Debtors	5	19,701,356	21,000,532
VAT Receivable	6	5,947,664	4,323,408
Bank, Cash and Cash Equivalents	7	214,898,337	225,277,391
Current Portion of Long-term Receivables	14	347,573	401,632
<b>Non-current Assets Held-for-Sale</b>		<b>529,000</b>	<b>-</b>
Non-current Assets Held-for-Sale	3	529,000	
<b>Non-Current Assets</b>		<b>3,015,347,241</b>	<b>892,867,283</b>
Property, Plant and Equipment	9	2,481,953,398	868,031,256
Intangible Assets	10	1,275,790	1,433,203
Investment Property	11	512,891,241	-
Biological Assets	12	18,345,630	20,756,080
Non-current Investments	13	-	1,313,319
Long-term Receivables	14	881,181	1,333,424
<b>Total Assets</b>		<b>3,318,733,460</b>	<b>1,194,947,171</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>162,661,828</b>	<b>146,460,859</b>
Consumer Deposits	15	7,633,271	6,887,408
Provisions	24	9,548,375	6,613,076
Creditors	17	62,934,586	53,809,767
Unspent Conditional Grants and Receipts	18	76,294,419	68,841,198
VAT Payable	19	447,112	2,740,397
Operating Lease Liabilities	20	147,663	94,841
Current Portion of Retirement Benefit Liabilities	23	4,118,820	3,639,000
Current Portion of Long-term Liabilities	21	1,537,582	3,835,172
<b>Non-Current Liabilities</b>		<b>110,813,530</b>	<b>108,853,074</b>
Long-term Liabilities	21	25,606,816	27,144,398
Trust funds		-	75,273
Non-current payables	22	-	825,807
Retirement Benefit Liabilities	23	57,644,580	53,756,923
Non-current Provisions	24	27,562,134	27,050,673
<b>Total Liabilities</b>		<b>273,475,358</b>	<b>255,313,933</b>
<b>Total Assets and Liabilities</b>		<b>3,045,258,102</b>	<b>939,633,238</b>
<b>NET ASSETS</b>		<b>3,045,258,102</b>	<b>939,633,238</b>
Statutory Funds	25	6,898,300	4,893,384
Revaluation Reserve	26	383,401,019	-
Accumulated Surplus / (Deficit)	27	2,654,958,783	934,739,854
<b>Total Net Assets</b>		<b>3,045,258,102</b>	<b>939,633,238</b>



**STELLENBOSCH MUNICIPALITY**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009**

Budget				Actual	
2008	2009		Note	2009	RESTATED 2008
R	R			R	R
<b>REVENUE</b>					
101,915,000	116,632,220	Property Rates	28	117,470,555	101,769,099
1,393,870	1,112,534	Property Rates - Penalties imposed and collection charges	29	1,648,350	2,273,054
246,876,514	290,837,831	Service Charges	30	300,929,648	242,515,636
9,955,246	12,731,857	Rental of Facilities and Equipment	31	8,669,349	4,184,240
16,791,310	19,671,010	Interest Earned - External Investments	29	30,243,234	22,467,369
3,766,000	3,456,410	Interest Earned - Outstanding Debtors	29	3,161,046	2,531,019
19,426,070	18,185,056	Fines		15,931,046	15,348,868
21,358,440	19,412,461	Licences and Permits		3,849,927	22,626,421
-	1,147,380	Income for Agency Services		1,006,744	-
27,433,696	26,905,893	Government Grants and Subsidies Received	32	50,289,596	48,782,738
-	-	Public Contributions and Donations	33	9,886,674	3,525,478
21,305,204	33,330,160	Other Income	34	31,145,826	27,644,184
-	-	Other Gains on Continued Operations		-	-
-	-	Gains on Disposal of Property, Plant and Equipment		-	-
<b>470,221,350</b>	<b>543,422,812</b>	<b>Total Revenue</b>		<b>574,231,995</b>	<b>493,668,106</b>
<b>EXPENDITURE</b>					
154,236,357	182,080,168	Employee Related Costs	35	167,828,964	154,149,309
7,749,822	5,918,046	Remuneration of Councillors	36	9,168,769	7,641,048
11,555,492		Bad debts			-
759,010	156,000	Collection Costs		161,345	752,678
51,248,053	49,676,346	Depreciation and Amortisation	37	42,389,160	40,180,479
23,673,369	26,892,097	Repairs and Maintenance		33,202,057	25,932,998
3,321,530	3,321,530	Finance Costs	38	2,780,891	3,214,351
81,278,250	100,260,809	Bulk Purchases	39	106,339,381	90,970,200
4,064,040	1,250,800	Grants and Subsidies Paid	40	4,331,376	4,415,217
129,512,731	151,911,575	General Expenses	41	135,518,443	111,418,500
2,822,696	21,955,441	Contributions to/(transfers from) provisions		42,755,199	29,218,826
<b>470,221,350</b>	<b>543,422,812</b>	<b>Total Expenditure</b>		<b>544,475,586</b>	<b>467,893,606</b>
		Gain / (loss) on sale of assets			13,318,285
		(Impairment loss) / Reversal of impairment loss			
		Profit / (loss) on fair value adjustment		(2,410,450)	4,602,518
		Inventories: (Write-down) / reversal of write-down to net realisable value		(17,858,189)	(22,276,154)
<b>-</b>	<b>-</b>	<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>		<b>9,487,770</b>	<b>21,419,149</b>
Refer to Appendix E(1) for explanation of budget variances					

**STELLENBOSCH MUNICIPALITY**

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2009**

	Housing Development Fund R	Revaluation Reserve R	Accumulated Surplus /(Deficit)	Total R
<b>2007/2008</b>				
Correction of error				-
<b>Restated balance</b>	6,545,208	-	97,783,343	1,052,772,618
Surplus for the year			52,406,265	52,406,265
Proceeds from sale of PPE			-	-
Expenditure related to sale of PPE			-	-
Transfer to CRR			-80,789,298	-
Property, plant and equipment purchased			54,663,073	-
Capital grants used to purchase PPE			-32,506,560	-
Contribution to Insurance Reserve				-
Insurance claims processed			1,107,259	2,142,033
Transfer to/from Housing Development Fund	-1,651,824			-
Offsetting of depreciation			31,231,263	-1,651,824
<b>Balance at 30 June 2008</b>	<b>4,893,384</b>	<b>-</b>	<b>123,895,346</b>	<b>1,105,669,093</b>

<b>2008/2009</b>				
Change in Accounting Policy			-166,035,855	-166,035,855
Correction of Error			-42,140,510	939,633,238
<b>Restated</b>	4,893,384		9,487,770	9,487,770
Surplus for the year				-
Proceeds from sale of PPE				-
Expenditure related to sale of PPE				-
Transfer to CRR				-
Property, plant and equipment purchased			-48,368,722	-
Capital grants used to purchase PPE			70,876,577	-
Contribution to Insurance Reserve			-35,480,395	-
Insurance claims processed			-1,028,480	-
Transfer to/from Housing Development Fund	2,004,915		-	-
Offsetting of depreciation			-2,840,828	-2,004,915
Other			31,093,935	-
Land and Buildings Revaluation		383,401,019	-	383,401,019
Increase in Fair Value of Infrastructure Assets due to correction of Prior Period Error			901,888,342	2,654,374,228
Other Adjustments effects of Unbundling			-4,443,492	
	<b>6,898,300</b>	<b>383,401,019</b>	<b>879,044,198</b>	<b>3,045,258,102</b>

**STELLENBOSCH MUNICIPALITY**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 R	2008 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from Ratepayers, Government and Other		538,535,369	472,873,784
Cash paid to Suppliers and Employees		(471,080,076)	(375,753,574)
<b>Cash generated from / (utilised in) Operations</b>	<b>43</b>	<b>67,455,292</b>	<b>97,120,210</b>
Dividends received		-	-
Royalties received		-	-
Interest received	<b>43</b>	33,404,279	27,271,441
Interest paid	<b>43</b>	(2,780,891)	(3,214,351)
<b>NET CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES</b>		<b>30,623,388</b>	<b>24,057,091</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment		(106,356,971)	(86,087,196)
Purchase of Intangible Assets	<b>10</b>	-	(1,082,438)
Purchase of Investment Property	<b>11</b>	-	-
Proceeds on Disposal of Property, Plant and Equipment		-	14,957,320
Proceeds on Disposal of Intangible Assets		-	-
Proceeds on Disposal of Investment Property		-	-
(Increase) / decrease in Non-current Investments	<b>13</b>	1,313,319	(13,409)
(Increase) / decrease in Investments in Associates		-	-
(Increase) / decrease in Long-term Receivables	<b>14</b>	506,302	2,583,899
<b>NET CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>		<b>(104,537,350)</b>	<b>(69,641,823)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New Loans raised	<b>21</b>	-	-
Loans repaid	<b>21</b>	(3,817,990)	(4,048,871)
Finance Lease Obligation		52,822	(501,605)
Decrease / (Increase) in Short-term Loans	<b>22</b>	-	-
Increase/(Decrease) in Consumer Deposits	<b>17</b>	745,863	28,130
Increase/(Decrease) in Trust Funds		(75,273)	5,235
Increase/(Decrease) in Non Current Payables		(825,807)	-
<b>NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>		<b>(3,920,385)</b>	<b>(4,517,111)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>7</b>	<b>(10,379,054)</b>	<b>47,018,366</b>
Cash and Cash Equivalents at the beginning of the year		225,277,391	178,259,024
Cash and Cash Equivalents at the end of the year		214,898,337	225,277,391

---

**STELLENBOSCH MUNICIPALITY**  
**ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**1. BASIS OF PREPARATION**

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention.

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003). The standards and pronouncements that form the GRAP Reporting Framework for the 2008/09 financial period are set out in Directive 5 Issued by the Accounting Standards Board (ASB) on 11 March 2009.

The standards are summarised as follows:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated financial statements and accounting for controlled entities
GRAP 7	Accounting for Investments in Associates
GRAP 8	Financial Reporting of Interest in Joint Ventures
GRAP 9	Revenue
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 100	Non-current Assets Held for Sale and Discontinued Operations
GRAP 101	Agriculture
GRAP 102	Intangible Assets
GRAP 6, 7, and 8 have been complied with to the extent that the requirements in these standards relate to the municipality's separate financial statements.	

Accounting policies for material transactions, events or conditions not covered by the above GRAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3.

These accounting policies and the applicable disclosures have been based on the International Public Sector Accounting Standards (IPSAS) and the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

**STELLENBOSCH MUNICIPALITY ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009**

---

IPSAS 20	Related Party Disclosures
IPSAS 21	Impairment of Non Cash-Generating Assets
IFRS 7	Financial Instruments: Disclosures
IAS 19	Employee Benefits
IAS 32	Financial Instruments: Presentation
IAS 36	Impairment of Assets
IAS 39	Financial Instruments: Recognition and Measurement
IFRIC 4	Determining whether an arrangement contains a lease

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

A summary of the significant accounting policies are disclosed below.

## **1.2 Significant judgements and sources of estimation uncertainty**

The following are the critical judgements that the management have made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in the Annual Financial Statements:

### **1.2.1 Revenue recognition**

Accounting Policy 13.1 on Revenue from Exchange Transactions and Accounting Policy 13.2 on Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services is rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

### **1.2.2 Financial assets and liabilities**

The classification of financial assets and liabilities is based on judgement by management.

## **1.3 Sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

### **1.3.1 Impairment of Financial Assets**

Accounting Policy 11.1.5 on Impairment of Financial Assets describes the process followed to determine the value with which financial assets should be impaired. In making

the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in IAS 39: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in the applicable notes to the Annual Financial Statements.

### **1.3.2 Useful lives of Property, Plant and Equipment**

As described in Accounting Policy 6.2, the municipality depreciates its property, plant and equipment, investment property and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are brought into use. The useful life and residual values of the assets are based on industry knowledge.

### **1.3.3 Defined Benefit Plan Liabilities**

As described in Accounting Policy 16.3, the municipality obtains actuarial valuations of its defined benefit plan liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of IAS 19. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the applicable notes to the Annual Financial Statements.

## **2. PRESENTATION CURRENCY**

The annual financial statements are presented in South African Rand, which is the functional currency of the municipality, and amounts are rounded off to the nearest R1.

## **3. GOING CONCERN ASSUMPTION**

The annual financial statements have been prepared on the assumption that the municipality is a going concern and will continue in operation for the foreseeable future.

## **4. OFFSETTING**

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

## **5. ACCUMULATED SURPLUS**

Included in the accumulated surplus of the municipality, are the following reserves that are maintained in terms of specific requirements:

### **5.1 Housing Development Fund**

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the Municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In

terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

### **5.2 Capital Replacement Reserve (CRR)**

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/ (deficit) to the CRR in terms of the Annual Budget. The cash in the CRR Account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/ (deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the Integrated Development Plan.

### **5.3 Capitalisation Reserve**

On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a Capitalisation Reserve instead of the accumulated surplus/ (deficit) in terms of a directive (budget circular) issued by National Treasury. The purpose of this Reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit).

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/ (deficit).

When an item of property, plant and equipment is disposed, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus/ (deficit).

### **5.4 Government Grant Reserve**

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/ (deficit). The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/ (deficit).

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/ (deficit).

#### **5.5 Donations and Public Contributions Reserve**

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/ (deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/ (deficit).

#### **5.6 Self-Insurance Reserve**

The Municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term investments.

Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

#### **5.7 Revaluation Reserve**

The surplus arising from the revaluation of land and buildings is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/ (deficit). On disposal, the net revaluation surplus is transferred to the accumulated surplus/ (deficit) while gains or losses on disposal, based on revalued amounts, are credited or charged to the Statement of Financial Performance.

### **6. PROPERTY, PLANT AND EQUIPMENT**

#### **6.1 Measurement**

Property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.



**STELLENBOSCH MUNICIPALITY ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009**

---

Subsequent to initial recognition, items of property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses, where applicable. Infrastructure assets are stated at the depreciated replacement cost.

Subsequent to initial recognition, land and buildings are carried at a revalued amount based on municipal valuations, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed by external independent valuers with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Previously, land and buildings were carried at cost less accumulated depreciation and impairment losses. These changes are recorded as a change in accounting policy in the Statement of Financial Performance.

An increase in the carrying amount of land and buildings as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed. The enhancement of an existing asset so that its use is expanded or the further development of an asset so that its original life is extended is examples of subsequent expenditure which should be capitalised.

## **6.2 Depreciation**

Depreciation is calculated on cost, using the straight line method, to allocate their cost to their residual values over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciation rates are based on the following originally estimated useful lives (unless a technical assessment of an individual asset concludes that a material variation is necessary):

**STELLENBOSCH MUNICIPALITY ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009**

	<b>Years</b>		<b>Years</b>
<b>Infrastructure</b>		<b>Other</b>	
Roads and Paving	10-100	Buildings	30
Electricity	10-50	Specialist vehicles	10
Water	10-100	Other vehicles	5
Sewerage	10-100	Office equipment	1-7
Housing	30	Furniture and fittings	1-10
		Watercraft	15
<b>Community</b>		Bins and containers	5
Improvements	30	Specialized plant and	
Recreational Facilities	20-30	Equipment	10-15
Security	5	Other plant and	
		Equipment	2-5

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate.

During the prior period the municipality had utilized the exemption granted by the Minister of Finance in terms of General Notice 522 of 2007, regarding compliance with requirements of GAMAP 17: Property, Plant and Equipment regarding the review of the useful life and assessment of the depreciation method of recognised assets.

The estimated useful lives and depreciation methods have been reviewed for the year ended 30 June 2009 (and applied retrospectively where practicable), and any changes therein have been implemented in accordance with the requirements of GRAP 17, GRAP 3 and ASB Directive 3.

#### **6.2.1 Heritage assets**

These are assets that are defined as culturally significant resources which are not depreciated owing to the uncertainty regarding their estimated useful lives.

#### **6.2.2 Land**

Land is not depreciated as it is deemed to have an indefinite useful life.

#### **6.2.3 Incomplete construction work**

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is commissioned into use.

#### **6.3 Landfill sites**

The municipality has an obligation to rehabilitate its landfill sites in terms of its licence stipulations. Provision is made for this obligation in accordance with the Municipality's accounting policy on provisions – see Accounting Policy 15 on Provisions.

#### **6.4 Disposal of property, plant and equipment**

The book values of assets are written off on disposal. The difference between the net book value of assets (cost less accumulated depreciation and accumulated impairment losses) and the sales proceeds is included in the Statement of Financial Performance as a gain or loss on disposal of property, plant and equipment.

In certain instances the sales proceeds on the sale of assets may be transferred to the Capital Replacement Reserve (CRR). These instances are discussed under the accounting policy note regarding the CRR.

### **6.5 Impairment**

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

The municipality did not perform impairment testing on its cash generating assets in the previous financial year as required by IAS 36, as this requirement has been exempted in terms of General Notice 522 of 2007. The testing for impairment of cash generating assets has been performed for the year ended 30 June 2009 (and retrospectively, where practicable) in accordance with the requirements of IAS 36 and GRAP 3.

The municipality did not perform impairment testing on its non-cash generating assets in the previous financial year as required by IAS 36, as this requirement has been exempted in terms of General Notice 522 of 2007. The testing for impairment of non-cash generating assets has been performed for the year ended 30 June 2009 (and not retrospectively) in accordance with the requirements of IPSAS 21.

### **6.6 Derecognition**

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

## **7. INTANGIBLE ASSETS**

Identifiable non-monetary assets without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes are classified and recognised as intangible assets.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised and are charged against income as incurred, while development expenditure is only capitalised to the extent that:

- ♦ the municipality intends to complete the intangible asset for use or sale;
- ♦ it is technically feasible to complete the intangible asset;
- ♦ the municipality has the resources to complete the project; and
- ♦ it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, where applicable.

In terms of GRAP 102, intangible assets are distinguished between internally generated intangible assets and other intangible assets. It is further distinguished between indefinite or finite useful lives. Intangible assets with finite useful lives are amortised over its useful life. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised but is subject to an annual impairment test.

Intangible assets are annually tested for impairment.

Where items of intangible assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation. The impairment loss is the difference between the carrying amount and the recoverable amount.

The estimated useful life and amortisation method are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

During the prior period the municipality had utilized the exemption granted by the Minister of Finance in terms of General Notice 522 of 2007, regarding compliance with certain requirements of IAS 38: Intangible Assets.

The intangible assets under the control of the municipality are amortised according to the straight line method as follows:

- Computer Software 3 years

## **8. INVESTMENT PROPERTY**

Investment property is property held to earn rental revenue or for capital appreciation or both.

Investment Property is carried at fair value, representing open market value determined annually. The valuations will not performed annually by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Changes in fair values are recorded in the Statement of Financial Performance as part of other income. The recognition of Investment Property is recorded as a change in accounting policy, as Investment Property was previously classified as Property, Plant and Equipment and carried at cost less accumulated depreciation and accumulated impairment losses.

Where the classification of an investment property is based on management's judgement, the following criteria have been applied to distinguish investment properties from owner-occupied property or property held for resale:

- ◆ All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties.
- ◆ land held for a currently undetermined future use.
- ◆ a building owned and leased out under one or more operating leases.
- ◆ leased properties that are held to provide a social (community) service or that are necessary for employees to perform their job functions, but which also generates rental revenue are not seen as investment properties. The rental revenue generated is incidental to the purposes for which the property is held.
- ◆ a building that is vacant but is held to be leased out under one or more operating leases.

The gain or loss arising on the disposal of an investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

During the prior period the municipality had utilized the exemption granted by the Minister of Finance in terms of General Notice 522 of 2007, regarding compliance with requirements of IAS 40: Investment property. Investment property was only recognised as investment property if it was certain that it met the definition of investment property. These properties were therefore previously included as PPE in the annual financial statements at cost less accumulated depreciation and accumulated impairment losses.

GRAP 16 on Investment property was implemented during the current financial period and any reclassification will be recorded as a change in accounting policy.

## **9. NON-CURRENT ASSETS HELD FOR SALE**

Non-current Assets and Disposal Groups are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current Assets (and Disposal Groups) classified as held-for-sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

The gain or loss on the eventual sale of non-current assets held for sale is included in the Statement of Financial Performance as gain or loss on sale of assets. The gain or loss on the eventual sale of non-current assets held for sale, is calculated on the difference between the net disposal proceeds and the carrying amount of the individual asset or the disposal group.

During the prior period the municipality had utilized the exemption granted by the Minister of Finance in terms of General Notice 522 of 2007, regarding compliance with requirements of IFRS 5: Non-current Assets Held-for-Sale and Discontinued Operations. GRAP 100 on Non-current Assets Held-for-Sale and Discontinued Operations was implemented during the current financial period and any reclassification will be recorded as a change in accounting policy.

## **10. BIOLOGICAL ASSETS**

Biological assets, which are defined as living animals or plants are recognised on the Statement of Financial Position of the municipality, if the municipality:

- Controls the asset as a result of a past event.
- Regards the inflow of future economic benefits from the use of the asset to be probable.
- Is able to measure the fair value of the asset reliably. This implies that an active market has to exist for the agricultural asset.

Biological assets are measured at fair value at each financial year end, less estimated point- of- sale costs. Fair value is the amount for which an asset can be exchanged between knowledgeable, willing parties in an arm's length transaction. Point-of-sale costs include commissions to brokers, levies by regulatory agencies and as well as transfer taxes and duties.

The changes in fair value less point-of-sale costs from one financial year end to the next are recognised as revenue in the Statement of Financial Performance.

## **11. FINANCIAL INSTRUMENTS**

Financial instruments are initially measured at fair value plus, in the case of a financial asset or liability not at fair value through the statement of financial performance, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. The subsequent measurement of financial instruments is dealt with as follows:

### **11.1 Financial Assets**

A financial asset is any asset that is a cash or contractual right to receive cash. The municipality classifies its investments in the following categories:

- Financial assets at fair value through profit or loss.
- Loans and Receivables,
- Held to maturity investments and
- Financial assets available for sale.

The classification is dependent on the purpose for which the financial asset is acquired and is as follows:

#### **11.1.1 Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are financial assets that meet either of the following conditions:

- they are classified as held for trading; or
- upon initial recognition they are designated as at fair value through the Statement of Financial Performance.

They are subsequently measured at fair value at the statement of financial position date with the profit or loss being recognised in the Statement of Financial Performance.

#### **11.1.2 Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the municipality provides money, goods or services directly to a debtor without any intention of trading such debtors. Loans and debtors are included in the trade and other receivables in the statement of financial position and are subsequently measured at amortised cost using the effective interest rate method.

#### **11.1.3 Held-to-maturity Investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable dates of maturity which the municipality intend and are able to keep to maturity. They are



included under non-current and current assets in the statement of financial position and are subsequently measured at amortised cost using the effective interest rate method.

#### **11.1.4 Available-for-sale Financial Assets**

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and comprises of cash and equity instruments held in shares. They are included under current assets in the statement of financial position and are initially and subsequently measured at fair value at the statement of financial position date, except for investments in equity instruments that do not have quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost.

#### **11.1.5 Impairment of financial assets**

An assessment is performed at each Statement of Financial Position date to determine whether objective evidence exist that a financial asset is impaired, such as the probability of insolvency or significant financial difficulties of the debtor. If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in surplus or deficit.

Initially Accounts Receivable are valued at fair value and subsequently carried at amortised cost using the effective interest rate method. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of trade receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Consumer Debtors are stated at cost less a provision for bad debts. The provision is made so that the recoverability of Consumer Debtors is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. Government accounts are not provided for as such accounts are regarded as receivable.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance.

With the exception of Available-for-Sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Financial Performance to the extent that the carrying amount of the investment, at the date the impairment is reversed, does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of Available-for-Sale equity securities, impairment losses previously recognised through profit or loss are not reversed through the Statement of Financial performance. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

## **11.2 Financial Liabilities**

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. There are two main categories of Financial Liabilities, the classification determining how they are measured. Financial liabilities may be measured at:

- Fair value through profit or loss; or
- Other financial liabilities at amortised cost

All financial liabilities including trade and other payables, are measured at amortised cost using the effective interest rate method. Financial liabilities include borrowings, other non-current liabilities (excluding provisions) and trade and other payables (excluding provisions). Interest-bearing external loans and bank overdrafts are recorded net of direct issue costs. Finance charges, including premiums payable, are accounted for on an accrual basis.

### **Trade Payables and Other**

Trade payables and other are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method. For trade payables at the municipality, the nominal value equals amortised cost.

## **11.3 Derecognition of financial assets and liabilities**

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.



## **12. INVENTORIES**

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities.

Water and purified effluent are valued at purified cost insofar as it is stored and controlled in reservoirs at year-end.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs, if the costs occur frequently and are separately identifiable..

During the prior period the municipality had utilized the exemption granted by the Minister of Finance in terms of General Notice 522 of 2007, regarding compliance with requirements of GAMAP 12: Inventories. Unsold properties that met the definition of Inventory were not re-classified or recorded as inventories as this requirement was exempted. As the municipality had not finalized the process of identifying unsold properties as inventory for reporting purposes, these items were included in Property, Plant and Equipment.

GRAP 12 on Inventories was implemented during the current financial period and any reclassification will be recorded as a change in accounting policy.

Cost of inventory comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventory to its present location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related income is recognised. Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

## **13. REVENUE RECOGNITION**

Revenue comprises the fair value of the remuneration received or receivable for the sale of services or goods in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and

when specific criteria have been met for each of the municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised as follows:

### **13.1 Revenue from Exchange Transactions**

#### **13.1.1 Service Charges**

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

#### **13.1.2 Pre-paid electricity**

Revenue from the sale of electricity prepaid units is recognised when the risks and rewards of ownership has passed to the buyer.

#### **13.1.3 Interest earned**

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

#### **13.1.4 Dividends**

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend in accordance with the substance of the relevant agreement, where applicable.

#### **13.1.5 Royalties**

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on

production, sales and other measures are recognised by reference to the underlying arrangement.

#### **13.1.6 Charges**

Revenue arising from the application of the approved tariff of charges is recognised when the service is rendered by applying the relevant approved tariff. This includes the issuing of licences and permits.

#### **13.1.7 Income from agency services**

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

#### **13.1.8 Housing rental and instalments**

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

#### **13.1.9 Sale of goods**

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- ◆ The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- ◆ The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- ◆ The amount of revenue can be measured reliably.
- ◆ It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- ◆ The costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **13.1.10 Public contributions**

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

### **13.2 Revenue from non-exchange transactions**

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

#### **13.2.1 Rates and taxes**

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable.

Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable.

#### **13.2.2 Fines**

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.

#### **13.2.3 Donations and Contributions**

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.

Contributed property, plant and equipment are recognised when such items of property, plant and equipment are brought into use.

#### **13.2.4 Revenue from recovery of unauthorised, irregular, fruitless and wasteful expenditure**

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

#### **13.3 Unallocated deposits**

Unallocated deposits in the municipality's bank account are temporarily posted to a separate suspense account. The balance in this account at year-end is disclosed as a creditor in the annual financial statements.

Amounts not allocated within three years are transferred to revenue under 'other income'. In the unlikely event of an amount subsequently (after three years) identified as a payment on a consumer debtor account, any re-allocation will be treated as a correction of a prior period error in terms of GRAP 3.

### **14. CONDITIONAL GRANTS AND RECEIPTS**

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the Statement of Financial Performance in the period in which they become receivable.

### **15. PROVISIONS**

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can

be made. Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost as it occurs.

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

The municipality does not make any provision for performance bonuses as the amount cannot be estimated reliably at 30 June. Performance bonuses are budgeted for in the Operating Budget under Employee Related Costs.

Where it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision shall be reversed.

#### **15.1 Post Retirement Medical Benefits**

Council provides certain post retirement medical aid benefits by funding the medical aid contributions of certain retired members of the municipality. According to the rules of the medical aid funds, with which Council is associated, a member (who is on the current condition of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the member is liable for 30% of the medical aid membership fee, and Council for the remaining 70%.

A post retirement medical aid benefit provision is maintained by Council. The provision for the liability is phased in over a 5 year period, which was put on hold during the prior periods, as the municipality had utilized the exemption granted by the Minister of Finance in terms of General Notice 522 of 2007, regarding compliance with certain requirements of IAS 19: Employee benefits.

The municipality has an obligation to provide Post-retirement Health Care Benefits, as set out in Accounting Policy note 16.3.

#### **15.2 Accrued Leave Pay**

Liabilities for annual leave are recognised as they accrue to employees. Provision is based on the total accrued leave days owing to employees and is reviewed annually.

#### **15.3 Provision for the rehabilitation of landfill sites**

At year end a provision is raised for the rehabilitation of landfill sites. The provision is the net present value of the future cash flows to rehabilitate damaged land at year end.

#### **15.4 Provision for removal of alien vegetation**

At year end a provision is raised for the removal of alien vegetation. The provision is the net present value of the future cash flows of removing existing alien vegetation at year end.

### **15.5 Provision for constructive obligations (Grant-in-aid contributions)**

Provision is made for any constructive obligations of the municipality. A constructive obligation arises through an established pattern of past practice, published policies or a sufficiently specific current standard, whereby the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

## **16. EMPLOYEE BENEFITS**

### **16.1 Short-term Employee Benefits**

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as a provision in the Statement of Financial Position. The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

### **16.2 Defined Contribution Plans**

A defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid.

### **16.3 Defined Benefit Plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Municipality provides retirement benefits for its employees and councillors.

### **16.3.1 Medical Aid: Continued Members**

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate.

Past-service costs are recognised immediately in income, unless the changes to the plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

### **16.3.2 Actuarial Gains and Losses**

Actuarial gains or losses are accounted for using the “corridor method”. Actuarial gains and losses are eligible for recognition in the Statement of Financial Performance to the extent that they exceed 10 per cent of the present value of the gross defined benefit obligations in the scheme at the end of the previous reporting period. Actuarial gains and losses exceeding 10 per cent are spread over the expected average remaining working lives of the employees participating in the scheme. Actuarial valuations are performed bi-annually.

### **16.3.3 Long-service Allowance**

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality’s liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the statement of financial performance.

### **16.3.4 Provincially-administered Defined Benefit Plans**

The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds (refer to applicable note of the Annual Financial Statements for details). The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued triennially on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.



## 17. LEASES

### The Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liabilities are raised as Finance Lease Obligations. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised as an expense on a straight-line basis over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. Previously operating expenses were expensed as they became due. This is recorded as a change in accounting policy in terms of GRAP 3.

### The Municipality as Lessor

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease or instalment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Rental income from operating leases is recognised and recorded on a straight-line basis over the term of the relevant lease.

During the prior period the municipality had utilized the exemption granted by the Minister of Finance in terms of General Notice 522 of 2007, regarding compliance with requirements of IAS 17: Leases. Rental income from operating leases were therefore previously recognised and recorded in the accounting period when the amount became due and payable. GRAP 13 on Leases was implemented during the current financial period and any adjustments will be recorded as a change in accounting policy in terms of GRAP 3.

## 18. BORROWING COSTS

The municipality capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense in the Statement of Financial Performance. Previously, all borrowing costs were recognised as an expense in the Statement of Financial Performance.

GRAP 5 on Borrowing costs was implemented during the current financial period and any adjustments will be recorded as a change in accounting policy in terms of GRAP 3 and applied prospectively in terms of transitional provisions set out in ASB Directive 3.



## **19. CASH AND CASH EQUIVALENTS**

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with a maturity period of between three and twelve months and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried in the balance sheet at fair value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash with bank, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

## **20. VALUE ADDED TAX**

The Municipality accounts for Value Added Tax on the cash (receipt) basis.

## **21. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the annual financial statements.

## **22. UNAUTHORISED EXPENDITURE**

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance in the year that the expense was incurred and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## **23. IRREGULAR EXPENDITURE**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's or Municipal Entities' supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## **24. FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance in the year that the expenditure was recorded and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## **25. FOREIGN CURRENCIES**

Transactions in foreign currencies are initially recorded at the prevailing exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in such foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences are included in the Statement of Financial Performance in the period in which they arise.

Where the transaction is covered by a forward exchange contract, the rate specified in the contract is used.

## **26. COMPARATIVE INFORMATION**

### **26.1 Current year comparatives:**

Budgeted amounts have, in accordance with GRAP 1, been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

### **26.2 Prior year comparatives:**

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the amendment. The nature and reason for the restatement is disclosed.

## **27. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS**

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to applicable note of the Annual Financial Statements for details of changes in accounting policies.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of Errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to applicable note to the Annual Financial Statements for details of corrections of errors recorded during the period under review.

## **28. RELATED PARTIES**

Staff as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

## **29. EVENTS AFTER THE REPORTING DATE**

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.

## **30. BASIS OF CONSOLIDATION**

The municipality does not have any investments in controlled entities, associates or joint ventures. The municipality does therefore not prepare separate consolidated financial statements.

## **31. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE**

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 18 Segment Reporting - issued March 2005

GRAP 23 Revenue from Non-Exchange Transactions (Taxes and Transfers) - issued February 2008

GRAP 24 Presentation of Budget Information in Financial Statements - issued November 2007

GRAP 103 Heritage Assets - issued July 2008

Application of all of the above GRAP standards will be effective from a date to be announced by the Minister of Finance. This date is not currently available.

Management has considered all the GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

The following standards, amendments to standards and interpretations have been issued but are not yet effective and have not been early adopted by the municipality:

IAS 19 Employee Benefits - Effective 1 January 2009

IAS 36 Impairment of Assets – Effective 1 January 2009

IAS 39 Financial Instruments: Recognition & Measurement - Effective 1 January 2009

IFRS 7 Financial Instruments: Disclosures – Effective 1 March 2009

IFRIC 17 Distribution of Non-cash Assets to Owners - effective 1 July 2009

**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	Restated 2008 R
<b>1. GENERAL INFORMATION</b>		
<p>Stellenbosch Municipality (the municipality) is a local government institution in the Western Cape. The address of its registered office and principal place of business are disclosed under "General Information" included in the Annual Financial Statements and in the introduction and overview of the Annual Report. The principal activities of the municipality are disclosed in the Annual Report and are prescribed by The Constitution.</p>		
<b>2. INVENTORY</b>		
Consumable Stores - at cost	6,181,240	6,268,322
Water - at cost	74,857	77,616
<b>Total Inventory</b>	<b>6,256,097</b>	<b>6,345,937</b>

Inventories are held for own use with the result that no write downs of Inventory to Net Realisable Value were required.

Water inventory of 2008 has been restated due to a change in accounting policy. Refer to Note 43.

General Expenses in the Statement of Financial Performance include R9 610.32 (2008:R18 839.30) in respect of write-downs of Inventory to net realisable value.

**3. NON-CURRENT ASSETS HELD-FOR-SALE**

Property Held-for-Sale - at cost	529,000	-
<b>Total Assets classified as Held-for-Sale</b>	<b>529,000</b>	<b>-</b>
<b>Net Assets classified as Held-for-Sale</b>	<b>529,000</b>	<b>-</b>

Assets classified as Held-for-Sale has not been restated to adhere to the disclosure provisions of IAS 2. Refer to Note 43 for details of the restatement.

Non Current Assets held For Sale consists of land sales where the deposits have been received and the sale agreement will be finalised within the next financial year.

**4. CONSUMER DEBTORS**

	Gross Balances	Provision for Impairment	Net Balances
<b>As at 30 June 2009</b>			
Service Debtors:	79,871,045	24,824,186	55,046,860
Assessment Rates	23,945,731	6,889,320	17,056,411
Electricity	20,461,665	4,197,234	16,264,431
Refuse	7,793,984	3,410,502	4,383,482
Sewerage	9,671,991	3,306,640	6,365,351
Water	17,997,674	7,020,490	10,977,185
Housing	23,502,574	16,898,327	6,604,246
<b>Total Consumer Debtors</b>	<b>103,373,619</b>	<b>41,722,513</b>	<b>61,651,106</b>
<b>Less Vat on Consumer Debtors</b>			<b>(5,944,913)</b>
<b>Total Consumer Debtors excluding Vat</b>			<b>55,706,193</b>
	Gross Balances	Provision for Impairment	Net Balances
<b>As at 30 June 2008 - Restated</b>			
Service Debtors:	54,959,337	15,011,519	39,947,818
Assessment Rates	16,266,292	4,020,489	12,245,802
Electricity	13,735,830	2,238,338	11,497,492
Refuse	8,139,782	2,624,907	5,514,875
Sewerage	6,231,072	2,418,022	3,813,050
Water	10,586,360	3,709,762	6,876,598
Housing	16,749,277	7,642,698	9,106,580
Other Debtors	-	-	-
<b>Less Vat on Consumer Debtors</b>			<b>(4,323,408)</b>
<b>Total Consumer Debtors</b>	<b>71,708,614</b>	<b>22,654,217</b>	<b>44,730,989</b>

Consumer debtors of 2008 have been restated due to the correction of a prior period error. Refer to Note 42.

**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	Restated 2008 R
Consumer Debtors are billed monthly, latest end of month. No interest is charged on trade receivables until the 7th of the following month. Thereafter interest is charged at a rate determined by council on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of Consumer Debtors.		
Deposits are required to be paid for all water accounts opened. There are no consumers who represent more than 5% of the total balance of Consumer Debtors.		
The management of the municipality is of the opinion that the carrying value of Consumer Debtors approximate their fair values.		
The fair value of Consumer Debtors was determined after considering the standard terms and conditions of agreements entered into between the municipality and Consumer Debtors as well as the current payment ratio's of the municipality's Consumer Debtors.		

**4.1 Ageing of Consumer Debtors**

**Rates: Ageing**

<u>Current:</u>		
0 - 30 days	5,557,193	3,359,950
<u>Past Due:</u>		
31 - 60 Days	969,408	556,636
61 - 90 Days	763,840	395,146
91 - 120 Days	472,674	327,371
+ 120 Days	16,182,616	10,775,041
<b>Total</b>	<b>23,945,731</b>	<b>15,414,145</b>

**Electricity and Water: Ageing**

<u>Current:</u>		
0 - 30 days	17,324,838	9,464,371
<u>Past Due:</u>		
31 - 60 Days	2,456,890	1,222,988
61 - 90 Days	1,230,321	781,643
91 - 120 Days	1,040,206	752,501
+ 120 Days	14,700,279	9,700,343
<b>Total</b>	<b>36,752,534</b>	<b>21,921,847</b>

**Refuse and Sewerage: Ageing**

<u>Current:</u>		
0 - 30 days	3,243,185	2,770,017
<u>Past Due:</u>		
31 - 60 Days	669,524	458,356
61 - 90 Days	421,692	367,302
91 - 120 Days	623,631	512,444
+ 120 Days	12,507,943	9,560,206
<b>Total</b>	<b>17,465,975</b>	<b>13,668,326</b>

**Housing: Ageing**

<u>Current:</u>		
0 - 30 days	641,633	681,683
<u>Past Due:</u>		
31 - 60 Days	588,058	348,768
61 - 90 Days	360,779	326,855
91 - 120 Days	360,491	308,220
+ 120 Days	23,258,418	14,910,863
<b>Total</b>	<b>25,209,379</b>	<b>16,576,390</b>

In determining the recoverability of debtors, the municipality has placed strong emphasis on verifying the indigent status of consumers. Provision for impairment of Consumer Debtors has been made for all consumer balances outstanding based on the payment ratio over 12 months per service type. No further credit provision is required in excess of the Provision for Impairment.

In determining the recoverability of a Consumer Debtor, the municipality considers any change in the credit quality of the Consumer Debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Provision for Impairment.

**5. OTHER DEBTORS**

Sundry	1,002,773	3,312,191
--------	-----------	-----------

**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	<b>2009</b>	<b>Restated 2008</b>
	<b>R</b>	<b>R</b>
Closing of financial year	11,439,962	4,965,042
Other	362,417	48,360
Capital Debtors	6,896,204	12,674,939
	<u>19,701,356</u>	<u>21,000,532</u>
Less: Provision for Impairment		
<b>Total Other Debtors</b>	<b><u>19,701,356</u></b>	<b><u>21,000,532</u></b>

Capital debtors represent funding that Council is awaiting from external institutions for capital expenditure incurred and claimed, but not yet received at year-end.

Other Debtors have been restated to correctly classify amounts to be included in Other Debtors. Refer to Note 42 on "Correction of Error" for details of the restatement.

Included in Sundry Deposits is an amount of R 55 900 (2008: R55 900) in respect of cash deposits made to Eskom for the supply of electricity.

The average credit period for Government Grants and Subsidies is dependent on the Government Department involved and the nature of the claim. No interest is charged on outstanding Government Grants and Subsidies. The subsidies is payable to the municipality due to allocations made in the DORA or based on agreements between the municipality and the relevant departments.

The average credit period for Other Debtors is 30 days. The municipality strictly enforces its approved credit control policy to ensure the recovery of Other Debtors.

No interest is charged for the first 30 days from the date of the invoice. Thereafter interest is charged at the prime rate, charged by the municipality's banker, plus one percent per annum on the outstanding balance.

The management of the municipality is of the opinion that the carrying value of Other Debtors approximate their fair values.

#### **6. VAT RECEIVABLE**

Vat Receivable	<u><b>5,947,664</b></u>	<u><b>4,323,408</b></u>
----------------	-------------------------	-------------------------

Vat is payable on the receipts basis. Only once payment is received from debtors, VAT is paid over to SARS.

No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies. The municipality has financial risk policies in place to ensure that payments are affected before the due date.

#### **7. BANK, CASH AND CASH EQUIVALENTS**

Bank, Cash and Cash Equivalents	214,898,337	225,277,391
Bank Overdraft	-	-
<b>Total Bank, Cash and Cash Equivalents</b>	<b><u>214,898,337</u></b>	<b><u>225,277,391</u></b>

##### **7.1 Current Investment Deposits**

Call Deposits	198,462,593	208,597,549
Notice Deposits	-	-
Short-term Portion of Investments	-	-
<b>Total Current Investment Deposits</b>	<b><u>198,462,593</u></b>	<b><u>208,597,549</u></b>

Call Deposits are investments with a maturity period between 3 and 12 months and earn interest rates varying from 7 % to 15 % per annum.

The Municipality has the following bank accounts:

##### **7.2 Bank Accounts**

ABSA Bank - Stellenbosch Branch  
Account Number 410 188 031 - Primary Bank Account

**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	<b>2009</b>	<b>Restated</b>
	<b>R</b>	<b>2008</b>
		<b>R</b>
Account Number 407 007 5635 - Municipal Services		
Account Number 407 157 9787 - Traffic Account		
Cash book balance at beginning of year	16,647,242	7,911,102
Cash book balance at end of year	<u>16,396,294</u>	<u>16,647,242</u>
Bank statement balance at beginning of year	12,362,576	14,723,113
Account Number 410 188 031 - Primary Bank Account	21,254,118	12,314,945
Account Number 407 157 9787 - Traffic Account: Information relates to the 2007_2008 financial year		47,631
Bank statement balance at end of year	<u>21,254,118</u>	<u>12,362,576</u>

**7.3 Cash and Cash equivalents**

Cash Floats and Advances	39,450	32,600
Other Cash Equivalents	-	-
Cash on hand in Cash Floats, Advances and Equivalents	<u>39,450</u>	<u>32,600</u>

The management of the municipality is of the opinion that the carrying value of Bank Balances, Cash and Cash Equivalents recorded at amortised cost in the Annual Financial Statements approximate their fair values.

**8. OPERATING LEASE RECEIVABLES**

Operating Leases are recognised on the straight-line basis as per the requirement of GRAP 13. No liability existed at 30 June as either the contracts has no escalation clauses or escalation is based on CPIX, which is impracticable to estimate future receivables .

A change in accounting policy occurred as GRAP 13 was implemented during 2008/2009. Operating Lease receivables have not been restated due to the impracticability of estimating future CPIX.

During the 2007\_2008 financial year the municipality made use of the exemption with regards to GRAP 13 which came into effect for the 2008\_2009 financial year. Due to the fact that the rentals are contingent rentals, it would be impracticable to reliably estimate the contingency of these rentals.

**8.1 Leasing Arrangements**

**The Municipality as Lessor:**

Operating Leases relate to Property owned by the municipality with lease terms of between 5 to 99 years, with an option to extend. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

**8.2 Amounts receivable under Operating Leases**

At the Reporting Date the following lease receipts were receivable under Non-cancellable Operating Leases for Property, Plant and Equipment, which are receivable as follows:

Up to 1 year	565,400	571,881
2 to 5 years	2,332,386	2,279,965
More than 5 years	30,332,214	30,950,036
<b>Total Operating Lease Arrangements</b>	<u><b>33,230,001</b></u>	<u><b>33,801,882</b></u>

No restrictions have been imposed by the municipality in terms of the operating lease agreements.

**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**9. PROPERTY, PLANT AND EQUIPMENT**  
**Reconciliation of Carrying Value**

**30 June 2009**

	<b>Cost</b>	<b>Accumulative Depreciation</b>	<b>Carrying value</b>
Infrastructure	1,945,517,842	(217,195,590)	1,728,322,252
Community Assets	43,515,492	(17,359,833)	26,155,659
Other	167,376,604	(100,981,982)	66,394,621
Land and Buildings	661,075,875	(87,928)	660,987,949
Leased assets	3,324,107	(3,231,191)	92,917
	<b>2,820,809,921</b>	<b>(338,856,523)</b>	<b>2,481,953,398</b>

**Reconciliation of Carrying Value**

**30 June 2008**

	<b>Cost</b>	<b>Accumulative Depreciation</b>	<b>Carrying Value</b>
Infrastructure	440,397,438	(194,429,002)	245,968,436
Community Assets	232,260,840	(211,264,739)	20,996,101
Other	701,980,747	(99,480,826)	602,499,921
Leased assets	1,210,930	(1,210,930)	-
	<b>1,375,849,955</b>	<b>(514,930,464)</b>	<b>869,464,459</b>

Refer to Appendices "B, C and E (2)" for more detail on Property, Plant and Equipment, including those in the course of construction.



STELLENBOSCH MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

2009  
R

RESTATED  
2008  
R

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

9.1 Assets pledged as security:

No assets have been pledged as security for borrowings.

9.2 Impairment of Property, Plant and Equipment:

Impairment of Property, Plant and Equipment was taken into consideration by the consulting engineers, AURECON, during the process of identifying Property, Plant and Equipment and included in the Depreciated Replacement Cost calculated during the exercise. The amounts for Impairment were not calculated separately and therefore no impaired values are disclosed.

9.3 Change in Estimate - Useful Life of Property, Plant and Equipment reviewed:

The remaining useful life of property, plant and equipment was taken into consideration by the consulting engineers, AURECON, during the process of identifying property, plant and equipment and included in the Depreciated Replacement Cost calculated during the exercise. The amounts for Change in Useful Life were not calculated separately and therefore no changes in values are disclosed.

9.4 Land and Buildings carried at Fair Value:

Land and Buildings were revalued to fair value by using the municipal valuation roll. The date of valuation was 30 June 2009. The valuation was done by Henri Badenhorst Eiendomswaarderder & Associates, registered and independent valuers.

The valuation, which conforms to International Valuation Standards, was made on the basis of recent market transactions on arm's length terms.

The revaluation surplus was credited to the Revaluation Reserve in Net Assets.

Had the municipality's Land and Buildings been measured on a historical cost basis, their carrying amount would have been as follows:

Cost	696,979,052	696,749,319
Accumulated Depreciation	193,256,254	190,859,066
Net Carrying Value	<u>503,722,798</u>	<u>505,890,253</u>

10. INTANGIBLE ASSETS

Reconciliation of Carrying Value

30 June 2009

	Cost	Accumulative Depreciation	Carrying value
Intangible assets	5,475,329	(4,199,539)	1,275,790
	<u>5,475,329</u>	<u>(4,199,539)</u>	<u>1,275,790</u>

Reconciliation of Carrying Value

30 June 2008

	Cost	Accumulative Depreciation	Carrying Value
Intangible assets	5,027,619	(3,594,415)	1,433,204
	<u>5,027,619</u>	<u>(3,594,415)</u>	<u>1,433,204</u>

The amortisation expense has been included in the line item "Depreciation and Amortisation" in the Statement of Financial Performance (see Note 37).

All of the municipality's Intangible Assets are held under freehold interests and no Intangible Assets had been pledged as security for any liabilities of the municipality.

No restrictions apply to any of the Intangible Assets of the municipality.

Refer to Appendix "B" for more detail on Intangible Assets.

10.1 Significant Intangible Assets:

No individual intangible asset is considered to be material to the municipality's AFS

11. INVESTMENT PROPERTY

At Fair Value

512,891,241

The movement in Investment Property is reconciled as follows:

Carrying values at 1 July 2008

Cost	-	-
Fair Value	-	-
Acquisitions during the Year	-	-
Net Gains / (Losses) from Fair Value Adjustments/Re Classification of PPE	512,891,241	-
Carrying values at 30 June 2009	<u>512,891,241</u>	-
Cost	-	-
Fair Value	512,891,241	-
Estimated Fair Value of Investment Property at 30 June 2009	<u>512,891,241</u>	<u>-</u>

Revenue and Expenditure disclosed in the Statement of Financial Performance include the following:

Rental Revenue earned from Investment Property	1,245,309	350,579
Direct Operating Expenses - incurred to generate rental revenue	-	-
Direct Operating Expenses - incurred which did not generate rental revenue	-	-

All of the municipality's Investment Property is held under freehold interests and no Investment Property had been pledged as security for any liabilities of the municipality.

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations on Investment Property.

Refer to Appendix "B" for more detail on Investment Property.

**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	RESTATED 2008 R
--	-----------	-----------------------

The municipality's Investment Property was valued at 30 June 2009 at fair value by an independent, professionally qualified, valuer. The valuation, which conforms to International Valuation Standards, is arrived at by reference to market evidence of transaction prices for similar properties.

**12. BIOLOGICAL ASSETS**

At Fair Value	18,345,630	20,756,080
---------------	------------	------------

**Biological consists of the following plantations:**

Idas Valley plantation consists of Block A,B,C and D where active harvesting occurs.  
 Botmaskop plantation consists of Block E which has been inactive for the past three years.  
 Paradyskloof plantation consists of Block F which has been inactive for the past three years.

Papagaalberg consists of Block G. The municipality is in the process of applying for nature reserve status.  
 Louwsbos plantation consists of Block G which has been inactive for the past three years.

**13. NON-CURRENT INVESTMENTS**

<b>Financial Instruments</b>		
Fixed Deposits	-	1,313,319
<b>Total Investments</b>	-	1,313,319

Fixed Deposits are investments with a maturity period of more than 12 months and earn interest rates varying from 6% to 10% per annum.

The management of the municipality is of the opinion that the carrying value of Investments recorded at amortised cost in the Annual Financial Statements approximate their fair values.

The fair value of Investments was determined after considering the standard terms and conditions of agreements entered into between the municipality and financial institutions.

**14. LONG-TERM RECEIVABLES**

	Gross Balances R	Provision for Impairment R	Net Balances R
<b>As at 30 June 2009</b>			
Land sales	240,749	150,776	89,973
Officials: Car loans	32,249	20,197	12,052
Officials: Erven loans	74,705	46,786	27,919
Farmers: Water scheme	424,957	266,142	158,815
Housing selling scheme loans	2,515,237	1,575,242	939,995
	<u>3,287,898</u>	<u>2,059,145</u>	1,228,754
Less: Current Portion transferred to Current Receivables:-			347,573
Land sales			105,912
Officials: Car loans			32,203
Officials: Erven loans			5,464
Farmers: Water scheme			7,942
Housing selling scheme loans			<u>196,052</u>
<b>Total Long-term Receivables</b>			<u><u>881,181</u></u>
	Gross Balances R	Provision for Impairment R	Net Balances R
<b>As at 30 June 2008</b>			
Land sales	341,494	150,776	190,718
Officials: Car loans	62,027	20,197	41,830
Officials: Erven loans	79,855	46,786	33,068
Farmers: Water scheme	432,900	266,142	166,757
Housing selling scheme loans	2,877,924	1,575,242	1,302,682
	<u>3,794,200</u>	<u>2,059,145</u>	1,735,056
Less: Current Portion transferred to Current Receivables:-			401,632
Land sales			100,669
Officials: Car loans			29,735
Officials: Erven loans			5,146
Farmers: Water scheme			6,906
Housing selling scheme loans			<u>259,176</u>
<b>Total Long-term Receivables</b>			<u><u>1,333,424</u></u>

**Car Loans**

Senior staff were entitled to car loans which attract interest at 8% per annum and which are repayable over a maximum period of 6 years. These loans are repayable in the year 2010.

**Sale of erven**

As from 01 January 2006 no loan agreements are entered into for the sale of erven. The outstanding loans will be recovered over the remaining period of the individual loan agreements entered into.

**Housing selling scheme loans**

Housing loans are granted to qualifying individuals in terms of the provincial administration's housing programme. These loans attract interest at 7% per annum and are repayable over 10 years. These loans will be repaid by the year 2010.

**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	RESTATE 2008 R
<b>15. CONSUMER DEPOSITS</b>		
Electricity and Water	7,265,822	6,521,484
Housing	367,449	365,924
<b>Total Consumer Deposits</b>	<b>7,633,271</b>	<b>6,887,408</b>
<b>Guarantees held in lieu of Electricity and Water Deposits</b>	<b>2,066,981</b>	<b>1,705,179</b>

Consumer Deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding account.

No interest is paid on Consumer Deposits held.

<b>16. GRANTS IN AID</b>		
Grant-in-aid - Sundry	674,853	586,289
Grant-in-aid - Marketing	2,050,494	2,120,044
Grant-in-aid - Animal Welfare Society	425,190	404,940
Grant-in-aid - Property Rates	935,949	774,110
Grant-in-aid - Rentals	237,140	226,124
Cleaning Illegal Dumping	1,100,000	1,100,000
Alien Vegetation	793,259	614,235
<b>Total Provisions</b>	<b>6,216,886</b>	<b>5,825,742</b>

<b>17. CREDITORS</b>		
Trade creditors	27,848,574	17,974,272
Payments received in advance	10,365,304	11,487,660
Sundry deposits	475,304	-
Other creditors	8,993,909	12,550,350
Leave Gratuity	10,820,165	9,956,768
Retention	2,317,189	1,840,716
Salary Control	2,114,141	-
Creditors Suspense Accounts	-	-
<b>Total Creditors</b>	<b>62,934,586</b>	<b>53,809,766</b>

The average credit period on purchases is 30 days from the receipt of the invoice, as determined by the MFMA. No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has financial risk policies in place to ensure that all payables are paid within the credit timeframe.

<b>18. UNSPENT CONDITIONAL GRANTS AND RECEIPTS</b>		
<b>Conditional Grants from other spheres of Government</b>	<b>53,166,665</b>	<b>44,228,393</b>
National Government Grants	32,933,306	25,794,352
Provincial Government Grants	22,954,194	17,978,673
Other Sources	(2,720,834)	455,369
<b>Other Conditional Grants Unspent</b>	<b>18,392,115</b>	<b>20,856,859</b>
Developers Contribution - Sewerage	2,307,416	2,019,408
Developers Contribution - Roads	834,422	1,570,581
Developers Contribution - Electricity	5,831,912	9,212,435
Developers Contribution - Water	2,085,441	2,632,288
Developers Contribution - Open Areas	170,232	170,232
Developers Contribution - Parking	1,485,310	1,485,310
Developers Contribution - General	117,753	117,753
Dev Contr - La Clemence	1,910,776	-
Franschoek: Medium Cost Housing	-	-
Franschoek: Low Cost Housing (Phase 2)	301,300	301,300
Franschoek: Development Rights	3,347,553	3,347,553
<b>Operational Grants Unspent</b>	<b>4,735,639</b>	<b>3,755,945</b>
- LGWSETA Training	1,001,086	413,514
- Pilot Site	219,298	442,856
- Cemetery Donation	2,200	2,200
- Marais Park Bequest	20,000	20,000
- Don & Pat Bilton Clinic	193,192	175,470
- Franschoek Land Claims	-	1,573,360
- Franschoek Belgium Development	7,100	7,100
- Dilbeck	130,867	85,439
- Growth Management Strategy	416,609	606,789
- Western Cape Water Quality	304,517	304,517
- Leuven Study Grant	13,256	23,485
- NLDTF Bergzicht Training Centre	17,760	17,760
- CWDM Elect Assets Valuation	-	-
- Library Services Support Grant	99,860	35,595
- Housing Consumers Education	47,861	47,861
- CDW Support Grant	110,281	-
- Municipal Systems Improvements Grant	56,713	-
- Masakhane - (Equitable Share)	1,450,832	-
- ID Campaign	140,005	-
- Festivals of Light	4,200	-
- Syntell	500,000	-
<b>Total Conditional Grants and Receipts Unspent</b>	<b>76,294,419</b>	<b>68,841,198</b>

The balances of the Unspent Conditional Grants and Receipts can be reconciled as follow:

**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

				2009 R	RESTATED 2008 R
	Balance on 01/07/2008 R	Income R	Other Expenditure R	Capital Expenditure R	Balance on 30/06/2009 R
National Government Grants	25,794,352	20,593,001	0	14,229,997	32,157,356
Provincial Government Grants	17,978,673	14,765,613	0	10,331,125	22,413,160
Other Sources	455,369	-2,143,603	0	1,032,599	-2,720,834
Dev Contr - Sewerage	2,019,408	618,115	0	330,107	2,307,416
Dev Contr - Roads	1,570,581	275,644	0	1,011,802	834,422
Dev Contr - Electricity	9,212,435	4,186,687	0	7,567,210	5,831,912
Dev Contr - Water	2,632,288	430,707	0	977,554	2,085,441
Dev Contr - Open Areas	170,232	0	0	0	170,232
Dev Contr - Parking	1,485,310	0	0	0	1,485,310
Dev Contr - General	117,753	0	0	0	117,753
Dev Contr - La Clemence	1,910,776	0	0	0	1,910,776
Franschhoek: M/Cost Housing	0	0	0	0	-
Franschhoek: L/Cost Housing	301,300	0	0	0	301,300
Frandeveco: Development Rights	3,347,553	0	0	0	3,347,553
	<b>66,996,029</b>	<b>38,726,164</b>	<b>0</b>	<b>35,480,395</b>	<b>70,241,798</b>

	Balance on 01/07/2007 R	Income R	Other Expenditure R	Capital Expenditure R	Balance on 30/06/2008 R
National Government Grants	26,749,346	8,496,920	0	9,451,914	25,794,352
Provincial Government Grants	2,258,674	34,513,331	0	18,793,332	17,978,673
Other Sources	601,618	589,586	0	735,836	455,369
Dev Contr - Sewerage	766,262	1,645,144	0	391,998	2,019,408
Dev Contr - Roads	810,231	1,736,555	0	976,205	1,570,581
Dev Contr - Electricity	4,668,654	5,632,016	0	1,088,235	9,212,435
Dev Contr - Water	1,545,981	2,155,346	0	1,069,040	2,632,288
Dev Contr - Open Areas	168,408	1,824	0	0	170,232
Dev Contr - Parking	1,465,412	19,897	0	0	1,485,310
Dev Contr - General	117,753	0	0	0	117,753
Dev Contr - La Clemence	0	1,910,776	0	0	1,910,776
Franschhoek: M/Cost Housing	0	0	0	0	-
Franschhoek: L/Cost Housing	301,300	0	0	0	301,300
Frandeveco: Development Rights	3,347,553	0	0	0	3,347,553
	<b>42,801,193</b>	<b>56,701,396</b>	<b>0</b>	<b>32,506,560</b>	<b>66,996,029</b>

The receipt and spending of Government Grants are being monitored by National and Provincial Government and reports in this regard have to be submitted to them quarterly. See also Note 32 for Grants received from National/Provincial Government. These amounts are invested in a ring-fenced investment until utilized.

Refer to Appendix "F" for more detail on Conditional Grants.

**19. VAT PAYABLE**

Vat Payable	<b>447,112</b>	<b>2,740,397</b>
-------------	----------------	------------------

Vat is payable on the receipts basis. Only once payment is received from debtors, VAT is paid over to SARS.

No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies. The municipality has financial risk policies in place to ensure that payments are affected before the due date.

**20. OPERATING LEASE LIABILITIES / PAYABLES**

Operating Leases are recognised on the straight-line basis as per the requirement of GRAP 13. In respect of Non-cancellable Operating Leases the following liabilities have been recognised:

Balance at beginning of year	94,841	178,012
Operating Lease expenses recorded	2,403,379	2,508,689
Operating Lease payments effected	(2,350,557)	-2,591,861

<b>Total Operating Lease Liabilities</b>	<b>147,663</b>	<b>94,841</b>
--	----------------	---------------

Operating Lease Liabilities of 2008 was restated to adhere to the disclosure provisions of GRAP 13.

**20.1 Leasing Arrangements**

**The Municipality as Lessee:**

Operating Leases relate to Property, Plant and Equipment with lease terms not longer than 5 years, with an option to extend for a further period. All operating lease contracts contain market review clauses in the event that the municipality exercises its option to renew. The municipality does not have an option to purchase the leased asset at the expiry of the lease period.

**20.2 Amounts payable under Operating Leases**

At the Reporting Date the municipality had outstanding commitments under Non-cancellable Operating Leases for Property, Plant and Equipment, which fall due as follows:

<b>Buildings:</b>	2,758,856	4,813,398
Up to 1 year	1,992,638	2,054,541
2 to 5 years	766,218	2,758,856
More than 5 years	-	-

<b>Vehicles and Other Equipment:</b>	92,341	441,179
Up to 1 year	92,341	348,838
2 to 5 years	-	92,341
More than 5 years	-	-

<b>Total Operating Lease Arrangements</b>	<b>2,851,198</b>	<b>5,254,577</b>
---	------------------	------------------

The following payments have been recognised as an expense in the Statement of Financial Performance:

Minimum lease payments	2,350,557	2,591,861
------------------------	-----------	-----------

<b>Total Operating Lease Expenses</b>	<b>2,350,557</b>	<b>2,591,861</b>
---------------------------------------	------------------	------------------

The municipality has operating lease agreements for the following classes of assets, which are only significant collectively:

- Buildings	2,758,856	4,813,398
- Office Equipment	26,239	120,674
- Vehicles	66,102	320,505

No restrictions have been imposed on the municipality in terms of the operating lease agreements.

**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	RESTATED 2008 R
<b>21. LONG TERM LIABILITIES</b>		
Local Registered Stock	-	-
Annuity Loans	27,005,787	30,478,641
Finance Lease Liabilities	138,611	500,930
Government Loans	-	-
Other Loans	-	-
Sub-total	<u>27,144,398</u>	<u>30,979,570</u>
Less: Current Portion transferred to Current Liabilities:-	1,537,582	3,835,172
Annuity Loans	1,398,971	3,472,854
Finance Lease Liabilities	<u>138,611</u>	<u>362,319</u>
<b>Total Long-term Liabilities</b> (Neither past due, nor impaired)	<u><b>25,606,816</b></u>	<u><b>27,144,398</b></u>

**21.1 Summary of Arrangements**

Annuity Loans are repaid over periods varying from 2 to 15 (2008: 1 to 15) years and at interest rates varying from 9.25 % to 11.55 % (2007: 9.25 % to 11.55%) per annum. Debtors to the amount of R16 000 000,00 have been ceded to the Development Bank of Southern Africa in providing security for a loan raised from them, Annuity Loans are not secured.

Refer to Appendix "A" for more detail on Long-term Liabilities.

**21.2 Obligations under Finance Lease Liabilities**

**The Municipality as Lessee:**

Finance Leases relate to Property, Plant and Equipment with lease terms not more than 5 years (2008: 5 years). The effective interest rate on Finance Leases is between 0% and 45% (2008: 0% and 45%).

The municipality does not have an option to purchase the leased Property, Plant and Equipment at the conclusion of the lease agreements. The municipality's obligations under Finance Leases are secured by the lessors' title to the leased assets.

The obligations under Finance Leases are as follows:

	<b>Minimum Lease Payments</b>		<b>Present Value of Minimum Lease Payments</b>	
	2009 R	2008 R	2009 R	2008 R
<b>Amounts payable under finance leases:</b>				
Within one year	170,569	603,552	141,890	352,768
In the second to fifth years, inclusive	-	170,569	-	138,611
Over five years	-	-	-	-
	<u>170,569</u>	<u>774,121</u>	<u>141,890</u>	<u>491,379</u>
Less: Future Finance Obligations		282,741	28,679	250,784
<b>Present Value of Minimum Lease Obligations</b>	<u><b>170,569</b></u>	<u><b>491,380</b></u>	<u><b>113,211</b></u>	<u><b>240,595</b></u>
Less: Amounts due for settlement within 12 months (Current Portion)			113,211	138,611
<b>Finance Lease Obligations due for settlement after 12 months (Non-current Portion)</b>			<u><b>226,422</b></u>	<u><b>379,206</b></u>

**22. NON-CURRENT PAYABLES**

Conditional Funds	
- Desmond Claassen	67,527
- Ex Gratia Pensioenfonds (BDM)	103,387
Other creditors	654,894
<b>Total Non-current Payables</b>	<u><b>825,807</b></u>

**23. RETIREMENT BENEFIT LIABILITIES**

**23.1 Post-retirement Health Care Benefits Liability**

Post Employment Health Care Benefits	61,763,400	57,395,923
Less: Transfer to Current Obligations	(4,118,820)	(3,639,000)
<b>Non-Current Post-retirement Health Care Benefits Liability</b>	<u><b>57,644,580</b></u>	<u><b>53,756,923</b></u>

Retirement Benefit Liabilities have been restated to adhere to the disclosure provisions of IAS 19. Refer to Note 42 on "Correction of Error" for details of the restatement.

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2009 by Mr C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

In-service Members (Employees)	525
Continuation Members (Retirees, widowers and orphans)	182
<b>Total Members</b>	<u><b>707</b></u>

Comparative information regarding the number of in-service and continuation members was not available from the actuarial report obtained.

The liability in respect of past service has been estimated as follows:

In-service Members	36,311,663
Continuation Members	66,627,180
<b>Total Liability</b>	<u><b>102,938,843</b></u>

**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	RESTATED 2008 R			
Comparative information regarding the liability in respect of past service cost for in-service and continuation members was not available from the actuarial report obtained.					
The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:					
- Bonitas					
- Hosmed					
- Keyhealth					
- LA Health					
- Prosano					
- Samwumed					
The Current-service Cost for the year ending 30 June 2009 is estimated to be R5 308 000 whereas the cost for the ensuing year is estimated to be R3 956 296.					
The Interest Cost for the year ending 30 June 2009 is estimated to be R9 787 000 whereas the cost for the ensuing year is estimated to be R9 303 427.					
<b>The principal assumptions used for</b>					
<b>i) Rates of Interest</b>					
Discount Rate	9.22%				
Health Care Cost Inflation Rate	7.65%				
Net Effective Discount Rate	1.46%				
<b>ii) Normal retirement age</b>					
Expected Retirement Age - Females	60				
Expected Retirement Age - Males	65				
<b>iii) Mortality rates</b>					
The PA 90-2 ultimate Mortality table was used by the actuaries.					
<b>Movements in the present value of the Defined Benefit Obligation were as follows:</b>					
Balance at the beginning of the year	41,630,000	20,815,000			
Transitional Liability recognised	8,677,400	20,815,000			
Unrecognised Transitional Liability	41,175,443	62,445,000			
Current service costs	5,308,000	-			
Interest cost	9,787,000	-			
Expected employer Benefits payments	(3,639,000)	-			
Actuarial (losses) / gains unrecognised	12,592,157	-			
<b>Present Value of Fund Obligation at the end of the Year</b>	<b>115,531,000</b>	<b>104,075,000</b>			
Unrecognised Transitional Liability	(41,175,443)	(62,445,000)			
Actuarial losses / (gains) unrecognised	(12,592,157)	-			
<b>Total Recognised Benefit Liability</b>	<b>61,763,400</b>	<b>41,630,000</b>			
<b>Movements in the present value of the Defined Benefit Assets were as follows:</b>					
Balance at the beginning of the year	-	-			
Contributions from the employer	3,639,000	-			
Benefits paid	(3,639,000)	-			
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>			
<b>The amounts recognised in the Statement of Financial Position are as follows:</b>					
Present value of fund obligations	115,531,000	104,075,000			
Fair value of plan assets	-	-			
Present value of unfunded obligations	115,531,000	104,075,000			
Unrecognised Transitional Liability	(41,175,443)	(62,445,000)			
Unrecognised Actuarial Gains / (Losses)	(12,592,157)	-			
<b>Total Benefit Liability</b>	<b>61,763,400</b>	<b>41,630,000</b>			
<b>The amounts recognised in the Statement of Financial Performance are as follows:</b>					
Current service cost	5,308,000	-			
Interest cost	9,787,000	-			
Expected employer Benefits payments	(3,639,000)	-			
Transitional Liability recognised	8,677,400	20,815,000			
<b>Total Post-retirement Benefit included in Employee Related Costs</b>	<b>20,133,400</b>	<b>20,815,000</b>			
The actual return on plan assets was RNII (2008: RNII).					
<b>The history of experienced adjustments is as follows:</b>					
	2009 R	2008 R	2007 R	2006 R	2005 R
Present Value of Defined Benefit Obligation	102,939,000	104,075,000	-	-	-
Fair Value of Plan Assets	-	-	-	-	-
<b>Deficit</b>	<b>102,939,000</b>	<b>104,075,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Experienced adjustments on Plan Liabilities	(946,881)	68,000			
Experienced adjustments on Plan Assets	-	-			
Information for the three annual periods prior to the comparative year regarding the history of experienced adjustments was not available from the actuarial report obtained.					
The effect of a 1% movement in the assumed rate of health care cost inflation is as follows:					
<b>Increase:</b>					
Effect on the aggregate of the current service cost and the interest cost				18,834,000	
Effect on the defined benefit obligation				120,781,000	
<b>Decrease:</b>					
Effect on the aggregate of the current service cost and the interest cost				12,294,000	
Effect on the defined benefit obligation				88,726,000	

**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	RESTATED 2008 R
The municipality expects to make a contribution of R4 118 820 (2008: R3 639 000) to the Defined Benefit Plans during the next financial year.		

The transitional Defined Benefit Liabilities for Post-retirement Medical Aid Benefits have been recognised in the Annual Financial Statements of the municipality as at 30 June 2007 in terms of IAS 19, Employee Benefits, paragraph 155(b). The municipality has elected to recognise the transitional liability as an expense on a straightline basis over 5 years from date of adoption.

**24. NON-CURRENT PROVISIONS**

Provision for Cleaning of Illegal Dumping	1,100,000	1,100,000
Provision for Clearing of Alien Vegetation	793,259	614,235
Provision for Rehabilitation of Land-fill Sites	18,146,667	16,000,000
Constructive obligations	4,323,627	4,111,507
Provision for Long Service Awards	12,746,956	11,838,007
<b>Total Provisions</b>	<b>37,110,509</b>	<b>33,663,749</b>
Transfer to Current Provisions	(9,548,375)	(6,613,076)
<b>Total Non-current Provisions</b>	<b>27,562,134</b>	<b>27,050,673</b>

Non-current Provisions of 2008 have been restated due to the correction of prior period errors. Refer to Note 42.

The movement in Non-current Provisions are reconciled as follows:

	Illegal Dumping R	Alien Vegetation R	Land-fill Sites R	Constructive R	Long service awards R
<b>30 June 2009</b>					
Balance at beginning of year	1,100,000	614,235	16,000,000	4,111,507	11,838,007
Contributions to provision	-	179,024	2,146,667	212,120	2,729,541
Increase due to discounting	-	-	-	-	-
Expenditure incurred	-	-	-	-	-787,334
Reduction due to re-measurement	-	-	-	-	-1,033,258
	1,100,000	793,259	18,146,667	4,323,627	12,746,956
Transfer to current provisions	(1,100,000)	(793,259)	(2,600,000)	(4,323,627)	-731,489
<b>Balance at end of year</b>	<b>-</b>	<b>-</b>	<b>15,546,667</b>	<b>-</b>	<b>12,015,467</b>
<b>30 June 2008 (Restated)</b>					
	-	-	3,109,333	-	-
Balance at beginning of year	650,000	1,035,785	14,146,608	3,934,866	10,070,139
Contributions to provision	450,000	-	1,853,392	4,591,858	2,026,573
Increase due to discounting	-	-	-	-	-
Expenditure incurred	-	(421,550)	-	(4,415,217)	-535,945
Increase due to re-measurement	-	-	-	-	277,240
	1,100,000	614,235	16,000,000	4,111,507	11,838,007
Transfer to current provisions	(1,100,000)	(614,235)	-	(4,111,507)	-787,334
<b>Balance at end of year</b>	<b>-</b>	<b>-</b>	<b>16,000,000</b>	<b>-</b>	<b>11,050,673</b>

**24.1 Cleaning of Illegal Dumping**

The provision for Cleaning of Illegal Dumping relates to the estimated cost for the cleaning of materials dumped illegally on the open areas under the jurisdiction of the municipality. Anticipated expenditure for 2008 is R 1 100 000 and R1 100 000 for 2009. These amounts have not been discounted for the purpose of measuring the provision for clearing, because the effect is not material.

**24.2 Clearing of Alien Vegetation**

The provision for Clearing of Alien Vegetation relates to the estimated cost for the clearing of alien vegetation from the areas under the jurisdiction of the municipality. Anticipated expenditure for 2008 is R793 259 and R614 235 for 2009. These amounts have not been discounted for the purpose of measuring the provision for clearing, because the effect is not material.

**24.3 Rehabilitation of Land-fill Sites**

In terms of the licencing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs of R18.148 million (2008: R16 million) to restore the site at the end of its useful life, estimated to be in 2011. Provision has been made for the net present value of this cost, using the average cost of borrowing interest rate.

**24.4 Constructive obligations**

Constructive obligations related to Grants in Aid exist due to expectations created on the part of other parties that the municipality will discharge certain responsibilities.



STELLENBOSCH MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	RESTATED 2008 R
<b>24.5 Long Service Awards</b>		
The municipality operates an unfunded defined benefit plan for all its employees. Under the plan, a Long-service Award is payable after 10 years of continuous service and every 5 years thereafter to employees. Furthermore a Retirement Gift is payable on retirement to employees with 10 years or more service. The provision is an estimate of the long-service based on historical staff turnover. No other long-service benefits are provided to employees.		
The most recent actuarial valuations was carried out at 30 June 2009 by Mr C. Weiss, Fellow of the Actuarial Society of South Africa. The present value of the obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.		
<b>The principal assumptions used for the purposes of the actuarial valuations were as follows:</b>		
Discount Rate	9.21%	
Cost Inflation Rate	6.67%	
Net Effective Discount Rate	2.38%	
<b>Movements in the present value of the provision for Long Service Awards were as follows:</b>		
Balance at the beginning of the year	11,838,007	10,070,139
Current service costs	1,475,702	1,204,744
Interest cost	1,253,839	821,829
Benefits paid	(787,334)	-535,945
Actuarial loss/(gain)	(1,033,258)	277,240
<b>Present Value of Fund Obligation at the end of the Year</b>	<b>12,746,956</b>	<b>11,838,007</b>
<b>Total Recognised Benefit Liability</b>	<b>12,746,956</b>	<b>11,838,007</b>
<b>The amounts recognised in the Statement of Financial Position are as follows:</b>		
Present value of fund obligations	12,746,956	11,838,007
Fair value of plan assets	-	-
<b>Total Benefit Liability</b>	<b>12,746,956</b>	<b>11,838,007</b>
<b>The amounts recognised in the Statement of Financial Performance are as follows:</b>		
Current service costs	1,475,702	1,204,744
Interest cost	1,253,839	821,829
Benefits paid	(787,334)	-535,945
Actuarial loss/(gain)	(1,033,258)	277,240
<b>Total expense included in Employee Related Costs</b>	<b>908,949</b>	<b>1,767,868</b>
At year end, 1 066 employees were eligible for Long-services Awards.		
The effect of a 1% movement in the assumed general salary rate is as follows:		
<b>Increase:</b>		
Effect on the aggregate of the current service cost and the interest cost	2,991,614	
Effect on the defined benefit obligation	13,929,000	
<b>Decrease:</b>		
Effect on the aggregate of the current service cost and the interest cost	2,501,417	
Effect on the defined benefit obligation	11,704,000	
<b>25. STATUTORY FUNDS</b>		
Statutory Fund No 1	-	-
Housing Development Fund:	6,898,300	4,893,384
Unappropriated Surplus	(1,705,299)	-3,710,215
Loans extinguished by Government on 1 April 1998	8,603,599	8,603,599
<b>Total Statutory Funds</b>	<b>6,898,300</b>	<b>4,893,384</b>
<b>25.1 Housing Development Fund</b>		
The Housing Development Fund has its origin from Loans extinguished by Government on 1 April 1998 and the net of housing transactions appropriated to the fund thereafter. No separate Unappropriated Surplus Account for housing transactions was kept.		
The Housing Development Fund contains all proceeds from housing developments, which include rental income and sale of houses. Monies standing to the credit of the Housing Development Fund are used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.		

**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	RESTATE 2008 R
<b>The Housing Development Fund is represented by the following Assets and Liabilities:</b>		
Instalment Sales Debtors (See note 16)	2,515,237	2,877,924
Instalment Sales Debtors (As per age analysis)	-	-
Consumer Debtors (See note 4)	22,045,055	4,574,011
Provision for Bad Debts (See note 4)	(16,898,327)	-
Cash and Cash Equivalents	(763,665)	(2,558,550)
<b>Total Housing Development Fund Assets and Liabilities</b>	<b>6,898,300</b>	<b>4,893,385</b>

**26. RESERVES**

Revaluation Reserve	383,401,019	-
<b>Total Reserves</b>	<b>383,401,019</b>	<b>-</b>

**26.1 Revaluation Reserve**

The Revaluation Reserve arises on the revaluation of Land and Buildings. Where revalued Land or Buildings are sold, the portion of the Revaluation Reserve that relates to that asset, and is effectively realised, is transferred directly to Accumulated Surplus.

Distributions from the Revaluation Reserve can be made where they are in accordance with the requirements of the municipality's accounting Policy and relevant case law. The payment of cash distributions out of the reserve is restricted by the terms of the municipality's Accounting policy. These restrictions do not apply to any amounts transferred to Accumulated Surplus. The Council do not currently intend to make any distribution from the Revaluation Reserve.

**27. ACCUMULATED SURPLUS**

The Accumulated Surplus consists of the following Internal Funds and Reserves:

Capital Replacement Reserve (CRR)	129,238,804	151,746,658
Capitalisation Reserve	1,457,151,636	586,355,613
Donations and Public Contributions Reserve	97,321,784	101,401,603
Government Grants Reserve	84,474,619	121,295,803
Self-insurance Reserve	7,727,742	6,699,262
Accumulated Surplus / (Deficit) due to the results of Operations	879,044,198	-31,063,162
	<b>2,654,958,783</b>	<b>936,435,777</b>

**Movement in Reserves**

	Revaluation Reserve	Capital Replacement Reserve (CRR)	Capitalisation Reserve	Donations and Public Contributions Reserve	Government Grants Reserve	Self-insurance Reserve
Opening Balance	-	151,746,658	586,355,613	101,401,603	121,295,803	6,699,262
Capital Expenditure		-70,876,576		10,919,273	24,561,122	
Transfer to Reserve		48,368,722				
Offset of Depreciation			-13,213,120	-9,795,573	-8,085,230	1,028,480
Additions	1,468,924,227					
Unbundling of Assets	-1,085,523,208		884,009,144	-5,206,520	-53,297,076	
Closing Balance	<b>383,401,019</b>	<b>129,238,804</b>	<b>1,457,151,636</b>	<b>97,318,784</b>	<b>84,474,619</b>	<b>7,727,742</b>

**Total Accumulated Surplus**

Accumulated Surplus has been restated due to changes in accounting policy and prior period errors. Refer to Note 53.

The **Capital Replacement Reserve** is a reserve to finance future capital expenditure and is fully invested in ring-fenced Financial Instrument Investments.

The **Capitalisation Reserve** equals the carrying value of the items of property, plant and equipment from the former legislated funds. The Capitalisation Reserve ensures consumer equity and is not backed by cash.

The **Donations and Public Contributions Reserve** equals the carrying value of the items of property, plant and equipment financed from public contributions and donations. The Donations and Public Contributions Reserve ensures consumer equity and is not backed by cash.

The **Government Grants Reserve** equals the carrying value of the items of property, plant and equipment financed from government grants. The Government Grants Reserve ensures consumer equity and is not backed by cash.

Refer to Statement of Changes in Net Assets for more detail and the movement on Accumulated Surplus.

**28. PROPERTY RATES**

	Property Valuations		Actual Levies	
	July 2009 R000's	July 2008 R000's		
Residential	7,825,789,580	7,898,623,980	61,189,612	55,057,213
Commercial	4,062,812,225	4,195,349,751	40,841,232	42,025,451
Agricultural	3,712,423,640	3,978,201,464	15,439,711	11,017,347
State	-	-	-	-
Municipal	-	-	-	-
Exempted Properties	-	-	-	-6,330,911
<b>Total Assessment Rates</b>	<b>15,601,025,445</b>	<b>16,072,175,195</b>	<b>117,470,555</b>	<b>101,769,099</b>

**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	RESTATED 2008 R
Assessment Rates are levied on the value of land and improvements, which valuation is performed every four years. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.		
The last valuation came into effect on 1 July 2005. A general valuation has been performed during the financial year and will be applied with effect 1 July 2009.		
An average general rate for 2008/2009 is R 0.010601 (2007/2008: R 0,009638) is applied to property valuations to determine assessment rates.		
Rates are levied monthly on property owners and are payable the 7th of each month. Property owners can request that the full amount for the year be raised in July in which case the amount has to be paid by 30 September. Interest is levied as per council's Credit Control and Debt Collection Policy on outstanding rates amounts.		
<b>29. INTEREST EARNED</b>		
<b>Property Rates:</b>		
Penalties imposed and Collection Charges	1,648,350	2,273,054
	<u>1,648,350</u>	<u>2,273,054</u>
<b>External Investments:</b>		
Investments	30,243,234	22,467,369
	<u>30,243,234</u>	<u>22,467,369</u>
<b>Outstanding Debtors:</b>		
Outstanding Billing Debtors	3,161,046	2,531,019
	<u>3,161,046</u>	<u>2,531,019</u>
<b>Total Interest Earned</b>	<u>35,052,630</u>	<u>27,271,441</u>
Interest Earned on Financial Assets, analysed by category of asset, is as follows:		
Available-for-Sale Financial Assets	-	-
Loans and Receivables	4,809,396	4,804,073
Held-to-Maturity Investments	30,243,234	22,467,369
	<u>35,052,630</u>	<u>27,271,441</u>
Interest Earned on Non-financial Assets	-	-
	<u>35,052,630</u>	<u>27,271,441</u>
Revenue recognised in respect of Financial Assets designated as at "fair value through profit or loss" is disclosed in Note 45.2.		
<b>30. SERVICE CHARGES</b>		
Sale of electricity	183,215,488	149,609,151
Sale of water	60,018,722	42,378,856
Refuse removal	23,241,645	18,878,111
Sewerage and sanitation charges	34,453,793	31,649,519
<b>Total Service Charges</b>	<u>300,929,648</u>	<u>242,515,636</u>
The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.		
<b>31. RENTAL OF FACILITIES AND EQUIPMENT</b>		
Finance Lease Rental Revenue	-	-
Operating Lease Rental Revenue:		
- Investment Property	-	-
- Other Rental Revenue	-	-
Rental Revenue from Amenities		
Rental Revenue from Buildings	13,476	13,140
Rental Revenue from Halls	-	-
Rental Revenue from Land	1,605,125	607,195
Rental Revenue from Other Facilities	7,050,748	3,563,905
<b>Total Rental of Facilities and Equipment</b>	<u>8,669,349</u>	<u>4,184,240</u>
Rental revenue earned on Facilities and Equipment is in respect of Non-financial Assets rented out.		

STELLENBOSCH MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	RESTATED 2008 R
<b>32. GOVERNMENT GRANTS AND SUBSIDIES</b>		
Equitable share	22,581,862	17,275,599
Growth management strategy	190,180	16,500
Provincial health subsidies	-	462,429
Financial Management Grant	473,558	904,366
LGWSETA Training	492,621	699,230
Housing Consumers	-	639
Electricity Asset Valuation	-	1,000
Special Clean-up Operations	-	9,657
Magazine subsidy	2,023	2,456
Libraries Services Support	474,117	329,015
Municipal Systems Improvement	343,288	
CDW Support	34,953	100,766
Developers contr		
Other Grants & Subsidies	1,032,599	735,836
Proclaimed Roads	103,271	
National Government - Capital Projects	14,229,997	9,451,914
Provincial Government - Capital Projects	10,331,125	18,793,332
<b>Total Government Grant and Subsidies</b>	<b>50,289,595</b>	<b>48,782,738</b>

**Equitable share**

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents received a monthly subsidy of R161,31, which was funded from this grant.

**Provincial health subsidies**

The Municipality rendered health services on behalf of the Provincial Government up to July 2007. All expenditure incurred was submitted and refunded to the amounts stated in the Appendices.

**Financial Management Grant**

The Municipality received Financial Management Grants for the implementation of National Treasury's Local Government Financial Reform Project. The largest portion of these funds is used for the implementation of GAMAP/GRAP.

**LGWSETA Training**

According to the Skills Development Act and the Skills Development Levies Act, an organisation can claim back some of the levies paid to be used on training of its employees.

**National and Provincial Government - Capital Projects**

Both National and Provincial Government fund a large portion of the Municipality's annual capital expenditure. The funds received for these purposes are from the National Housing Board, Municipal Infrastructure Grant, Department of Mineral and Energy and Department of Transport.

See Appendix F for a reconciliation of grants received and expensed.

**33. PUBLIC CONTRIBUTIONS AND DONATIONS**

Conditional Contributions	14,743,263	19,118,783
Unconditional Contributions	-	-
Other Donations	-	-
<b>Total Public Contributions and Donations</b>	<b>14,743,263</b>	<b>19,118,783</b>

**33.1 Reconciliation of Conditional Public Contributions and Donations**

Balance unspent at beginning of year	19,118,783	9,542,702
Current year receipts	5,511,154	13,101,559
Interest allocated	-	-
Conditions met - transferred to Revenue: Operating Expenses	-	-
Conditions met - transferred to Revenue: Capital Expenses	9,886,674	3,525,478
Other Transfers	-	-
Conditions still to be met - transferred to Liabilities	<b>14,743,263</b>	<b>19,118,783</b>

STELLENBOSCH MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

				2009 R	RESTATED 2008 R
	Balance on 01/07/2008 R	Income R	Other Expenditure R	Capital Expenditure R	Balance on 30/06/2009 R
Developers Contribution Sewerage	2,019,408	618,115	-	330,107	2,307,416
Developers Contribution Roads	1,570,581	275,644	-	1,011,802	834,422
Developers Contribution Electricity	9,212,435	4,186,687	-	7,567,210	5,831,912
Developers Contribution Water	2,632,288	430,707	-	977,554	2,085,441
Developers Contribution Open Areas	170,232	-	-	-	170,232
Developers Contribution Parking	1,485,310	-	-	-	1,485,310
Developers Contribution General	117,753	-	-	-	117,753
Developers Contribution La Clemence	1,910,776	-	-	-	1,910,776
	<b>19,118,782</b>	<b>5,511,154</b>	<b>-</b>	<b>9,886,674</b>	<b>14,743,262</b>

**34. OTHER INCOME**

Included in other income are the following:

Wood sales	2,458,822	1,585,497
Building plan fees	2,873,690	2,391,961
Contributions from reserves & operational grants	14,927,747	9,365,425
Sundry	10,885,567	14,301,301
<b>Total Other Income</b>	<b>31,145,826</b>	<b>27,644,184</b>

The amounts disclosed above for Other Income are in respect of services, other than described in Notes 28 to 31, rendered which are billed to or paid for by the users as the services are required according to approved tariffs. Inter-departmental Recoveries are received from other trading and economic services.

**35. EMPLOYEE RELATED COSTS**

Salaries and allowances	116,488,403	108,805,532
Social contributions	29,612,753	26,518,016
Travel, motor car and other allowances	9,289,013	4,734,416
Housing benefits and allowances	2,562,272	2,022,630
Overtime payments	6,586,970	6,054,118
Performance bonus/ Long-service awards	1,932,149	2,283,228
Leave bonus	8,593,702	7,786,949
<b>Total Employee Related Costs</b>	<b>175,065,263</b>	<b>158,204,889</b>
Less: Charged out to capital projects	-7,236,298	-4,055,581
	<b>167,828,964</b>	<b>154,149,309</b>

**Remuneration of the Municipal Manager**

Annual Remuneration	530,685	541,663
Performance Bonus	-	58,100
Housing Allowance	60,000	72,000
Car Allowance	105,000	132,144
Contributions to UIF, Medical and Pension Funds	125,149	158,949
Telephone Allowance	-	18,000
Leave	33,500	49,469
Severance Package	-	1,677,666
<b>Total</b>	<b>854,333</b>	<b>2,707,991</b>

**Remuneration of the Deputy Municipal Manager**

Annual Remuneration	-	243,573
Performance Bonus	-	-
Car Allowance	-	39,000
Contributions to UIF, Medical and Pension Funds	-	50,769
Telephone Allowance	-	4,152
Severance Package	-	391,015
<b>Total</b>	<b>-</b>	<b>728,508</b>

STELLENBOSCH MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	RESTATED 2008 R
<b>Remuneration of the Chief Financial Officer (July 2008 - August 2008)</b>		
Annual Remuneration	89,849	451,932
Performance Bonus	98,028	92,105
Bonus	-	-
Car Allowance	15,000	142,234
Contributions to UIF, Medical and Pension Funds	21,537	118,383
Housing Allowance	-	-
Telephone Allowance	-	-
Leave	-	-
<b>Total</b>	<b>224,414</b>	<b>804,654</b>
<b>Remuneration of the Chief Financial Officer (October 2008 - June 2009)</b>		
Annual Remuneration	415,540	-
Performance Bonus	-	-
Bonus	18,382	-
Car Allowance	67,500	-
Contributions to UIF, Medical and Pension Funds	84,754	-
Housing Allowance	54,000	-
Telephone Allowance	4,455	-
Leave	9,567	-
<b>Total</b>	<b>654,199</b>	<b>-</b>
<b>Remuneration of Director Planning and Development</b>		
Annual Remuneration	487,241	413,296
Performance Bonus	21,300	19,956
Car Allowance	109,596	90,000
Contributions to UIF, Medical and Pension Funds	117,925	109,643
Leave	-	-
<b>Total</b>	<b>736,062</b>	<b>632,895</b>
<b>Remuneration of the Director Electrical Engineering</b>		
Annual Remuneration	438,245	551,247
Performance Bonus	63,018	30,702
Car Allowance	58,500	78,000
Contributions to UIF, Medical and Pension Funds	10,744	21,010
Settle Cost	0	7,000
Salary Backpay (Non Pensionable)	0	-
Pension Backpay	81,564	-
<b>Total</b>	<b>652,071</b>	<b>687,959</b>
<b>Remuneration of Director Technical Services</b>		
Annual Remuneration	191,170	-
Performance Bonus	0	-
Car Allowance	19,500	-
Contributions to UIF, Medical and Pension Funds	4,330	-
Salary Backpay (Non Pensionable)	16,948	-
Pension Backpay	6,805	-
<b>Total</b>	<b>238,753</b>	<b>-</b>
<b>Remuneration of the Director Civil Engineering Services</b>		
Annual Remuneration	304,958	540,535
Performance Bonus	0	24,254
Car Allowance	46,973	90,000
Contributions to UIF, Medical and Pension Funds	64,956	114,300
Leave	29,403	-
<b>Total</b>	<b>446,289</b>	<b>769,089</b>
<b>Remuneration of the Director Social Development Services</b>		
Annual Remuneration	394,237	485,216
Performance Bonus	22,900	85,965
Car Allowance	40,500	54,000
Contributions to UIF, Medical and Pension Funds	96,083	125,560
Leave	0	-
<b>Total</b>	<b>553,719</b>	<b>750,741</b>

STELLENBOSCH MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	RESTATED 2008 R
<b>Remuneration of the Director Community Services</b>		
Annual Remuneration	131,161	-
Performance Bonus	0	-
Car Allowance	13,500	-
Contributions to UIF, Medical and Pension Funds	32,279	-
<b>Total</b>	<b>176,940</b>	<b>-</b>
<b>Remuneration of the Director Public Safety</b>		
Annual Remuneration	312,509	430,734
Performance Bonus	0	19,956
Housing Allowance	81,000	-
Car Allowance	63,000	78,000
Contributions to UIF, Medical and Pension Funds	75,991	104,288
Leave	0	8,649
<b>Total</b>	<b>532,500</b>	<b>641,627</b>
<b>Remuneration of the Director Strategic Services</b>		
Annual Remuneration	318,387	380,202
Performance Bonus	21,300	26,608
Car Allowance	57,664	86,496
Contributions to UIF, Medical and Pension Funds	62,085	79,953
Settle Costs	0	18,000
Leave	8,877	-
<b>Total</b>	<b>468,313</b>	<b>591,259</b>
<b>Remuneration of the Director Corporate Services</b>		
Annual Remuneration	249,879	450,681
Performance Bonus	0	23,026
Car Allowance	40,212	90,000
Contributions to UIF, Medical and Pension Funds	-	91,645
Settle Costs	48,727	45,000
Salary Backpay (Non Pensionable)	8,015	-
Leave	44,291	-
<b>Total</b>	<b>391,124</b>	<b>700,352</b>
<b>Remuneration of the Director Integrated Human Settlement Services</b>		
Annual Remuneration	366,906	481,921
Performance Bonus	0	58,412
Car Allowance	44,240	66,360
Contributions to UIF, Medical and Pension Funds	77,915	108,214
Leave	39,069	-
<b>Total</b>	<b>528,130</b>	<b>714,907</b>
<b>36. REMUNERATION OF COUNCILLORS</b>		
Executive Mayor	554,559	299,254
Deputy Executive Mayor	446,843	258,536
Speaker	446,837	182,230
Mayoral Committee Members	2,588,711	1,191,743
Councillors	3,152,810	2,699,065
Medical aid contributions	77,624	143,868
Pension contributions	423,853	567,447
Travelling expenses	1,206,759	1,841,522
Housing allowance	0	82,804
Telephone allowance	270,774	374,579
Office accommodation	-	-
<b>Total Councillors' Remuneration</b>	<b>9,168,769</b>	<b>7,641,048</b>
<b>In-kind Benefits</b>		
The Executive Mayor, Deputy Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and shares secretarial support at the cost of the Council. The Executive Mayor and Deputy Mayor has use of a Council owned vehicle for official duties. Councillors may utilize official Council transportation when engaged in official duties.		
<b>37. DEPRECIATION AND AMORTISATION</b>		
Depreciation: Property, Plant and Equipment	42,389,160	40,180,479
<b>Total Depreciation and Amortisation</b>	<b>42,389,160</b>	<b>40,180,479</b>
<b>38. FINANCE COSTS</b>		
Loans and Payables at amortised cost		
Finance Leases	2,780,891	3,214,351
Bank Overdrafts	-	-
Other	-	-
Total Interest Expense	2,780,891	3,214,351
Less: Amounts included in the Cost of qualifying Assets	-	-
<b>Total Interest Paid on External Borrowings</b>	<b>2,780,891</b>	<b>3,214,351</b>



**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	RESTATED 2008 R
<b>39. BULK PURCHASES</b>		
Electricity	96,266,560	81,511,600
Water	10,072,821	9,458,600
<b>Total Bulk Purchases</b>	<b>106,339,381</b>	<b>90,970,200</b>

Bulk purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to the consumers. Electricity is purchased from Escom whilst Water is purchased from City of Cape Town and Department of Water and Forestry.

**40. GRANTS AND SUBSIDIES PAID**

Sundry Grants	588,445	598,590
Grant to Tourism Associations	2,050,000	2,000,000
Grant to SPCA	425,190	404,940
Grant iro Rates Exemptions	802,820	1,064,176
Grant to Festivals	256,287	173,950
Grant iro Rentals	208,633	173,561
<b>Total Grants and Subsidies</b>	<b>4,331,376</b>	<b>4,415,217</b>

Sundry grants are paid to several deserving institutions that deliver services to the community. Grants to Tourism Associations are for applicable institutions in the whole municipal area to help them with the marketing of the area as a tourist destination. Grants to SPCA are made to help them in the care of neglected animals. Grants iro Rate Exemptions and Rentals are given to people who qualify for discounts on their annual rates and rental in terms of Council's approved policy hereon. Grants to Festivals are Council's contribution to all festivals that are held in the municipal area and that helps with the marketing thereof.

**41. GENERAL EXPENSES**

Included in general expenses are the following:

Administration Costs	32,305,946	52,131,300
Insurance	3,605,028	2,918,823
Agency Services	14,617,285	10,462,007
Fuel and Oil	7,262,420	5,981,609
Municipal Services	10,356,923	9,986,016
Free Basic Services	11,360,122	11,286,878
Consulting Fees	4,130,751	5,050,784
Vehicle Licensing Fees	(958,650)	15,396,227
Medical Aid Pensioners	3,827,514	3,309,924
Telephone and Cell Phone	4,645,972	3,375,336
Free Bulk Services	11,221,740	6,240,586
Recoverable Costs	2,291,195	3,448,460
Sundry Expenses	(2,724,258)	35,099,434
	<b>101,941,987</b>	<b>164,687,384</b>
Less: Charged Out	33,576,457	-53,268,885
	<b>135,518,443</b>	<b>111,418,500</b>

**42. CORRECTION OF ERRORS AND CHANGES IN ACCOUNTING POLICY**

**42.1 Water Inventory**

During prior periods the GAMAP 12 exemption granted i.t.o. Gazette No. 30013 of 29 June 2007 was utilised. The calculation of water stock for previous years was not in accordance with GRAP 12. The effect of the change in Accounting Policy is as follows:

<b>(Decrease) / Increase in Expenditure</b>	
Cost of sale of water stock	-10,503
<b>Decrease/(Increase) in surplus for the year ended 30 June 2008</b>	<b>-34,906</b>
<b>Increase/(Decrease) in Current Assets</b>	
Water Inventory	45,409

**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	RESTATED 2008 R
<b>42.2 Housing Schemes Inventory</b>		
It was discovered in the prior period that Housing Schemes Inventory was incorrectly allocated to non-current assets and therefore depreciated accordingly. Due to incorrect classification of housing inventory, no net reliable value tests were performed on these assets. The effect of the correction of the prior period error is as follows:		
<b>(Decrease) / Increase in Expenditure</b>		<b>-2,492,125</b>
Write down of inventory to NRV		102,975
Depreciation on Housing Schemes		-2,595,100
<b>Decrease/(Increase) in surplus for the year ended 30 June 2008</b>		<b>28,170,872</b>
<b>Increase/(Decrease) in Non-Current Assets</b>		
Accumulated Depreciation on Housing Schemes		6,068,890
<b>Increase/(Decrease) in Current Assets</b>		
Housing Schemes Inventory		-31,747,637
<b>Increase/(Decrease) in Non-Current Assets</b>		
Housing Schemes Inventory		-68,610,478
<b>Decrease/(Increase) in surplus for the year ended 30 June 2008</b>		<b>68,610,478</b>
<b>42.3 Sale of Land</b>		
During the prior periods' sale of land were classified as deposits payable which was incorrectly accounted for and this error was corrected in the current financial period. The effect of the correction of the prior period error is as follows:		
<b>Decrease / (Increase) in Income</b>		
Profit on Sale of Land		-130,965
<b>Decrease/(Increase) in surplus for the year ended 30 June 2008</b>		<b>-144,189</b>
<b>(Increase)/Decrease in Current Liabilities</b>		
Deposits		275,154
<b>42.4 Leases</b>		
During prior periods the IAS 17 exemption granted i.t.o. Gazette No. 30013 of 29 June 2007 was utilised. The municipality did not account for leased in previous financial years as this accounting standard was exempted. The effect of the change in Accounting Policy is as follows:		
<b>(Decrease) / Increase in Expenditure</b>		
Rent expenses		-584,728
<b>Decrease/(Increase) in surplus for the year ended 30 June 2008</b>		<b>-932,679</b>
<b>Increase/(Decrease) in Non-Current Assets</b>		
Office Equipment		363,223
Cost		2,113,178
Accumulated Depreciation		-1,749,955
<b>Decrease/(Increase) in Non-Current Liabilities</b>		<b>-595,770</b>
Finance Lease Liability		-483,747
Operating Lease Liability		-112,023
<b>42.5 Capital Debtors</b>		
Capital debtors were corrected during the financial period due to the fact that it was discovered that accounting errors occurred during the initial recognition of the transaction. The expenses was incorrectly capitalised to a debtor which should have been expensed during the applicable period. The effect of the correction of prior period Error is as follows:		
<b>Decrease/(Increase) in surplus for the year ended 30 June 2008</b>		<b>10,041,130</b>
<b>Increase/(decrease) in Current Assets</b>		
Capital debtors		-10,041,130
<b>Change in Accounting Policy</b>		
<b>42.6 Provision for Bad Debt</b>		
During the 2006/7 and 2007/8 year the calculation of Provision for Bad Debt was not in accordance with IAS 39. The calculations for the 2007/8 was corrected in the current period, but the calculation for the 2006/7 could not be performed due to systems restrictions. The opening balance of 2007/8 for this provision could therefore not be recalculated due to impracticability. The effect of the correction of prior period Error is as follows:		
<b>(Decrease) / increase in Expenditure</b>		
Provision for Bad Debt		-18,799,012
<b>(Increase)/decrease in Current Assets</b>		
Provision for Bad Debt		18,799,012
<b>Correction of Error</b>		
<b>42.7 Provision for rehabilitation of Tip Sites</b>		
The provision for rehabilitation of Tip Sites was incorrectly calculation according to GRAP 19. The error corrected in the current financial period was applied retrospectively. The effect of the correction of prior period Error is as follows:		
<b>(Decrease) / increase in Expenditure</b>		
Provision for Tip Site		1,853,392
<b>Decrease/(Increase) in surplus for the year ended 30 June 2008</b>		<b>13,912,531</b>
Provision for Tip Site		-15,765,923
<b>42.8 Provision for Retention Cost</b>		
It was discovered during the current financial period that an obligation for certain Retention Cost payable no longer exists. The provision was reversed and the error was accounted for in the correct financial period. The effect of the correction of prior period Error is as follows:		
<b>Decrease/(Increase) in surplus for the year ended 30 June 2008</b>		<b>-1,145,403</b>
<b>Decrease/(Increase) in Non-Current Liabilities</b>		
Retention Cost		1,145,403

**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	RESTATED 2008 R
<b>42.9 Employee Benefits</b>		
During prior periods the IAS 19 exemption granted i.t.o. Gazette No. 30013 of 29 June 2007 was utilised. The effect of the change in Accounting Policy is as follows:		
<b>(Decrease) / increase in Expenditure</b>		
Employee Cost		22,582,868
<b>Decrease/(increase) in surplus for the year ended 30 June 2008</b>		<b>13,297,939</b>
<b>Decrease/(increase) in Non-Current Liabilities</b>		<b>-35,880,807</b>
Post Retirement Medical Benefit		-24,042,800
Long Service Award		-11,838,007
<b>42.10 Unallocated deposits</b>		
During the prior periods' unallocated deposits were incorrectly classified and this error was corrected in the current financial period. The effect of the correction of prior period Error is as follows:		
<b>Decrease / (increase) in Income</b>		
Licences and permits		-975,330
<b>(Increase)/decrease in Current Liabilities</b>		
Deposits		975,330
<b>42.11 Accounting for PPE</b>		
During the prior period the municipality had utilized the exemption granted by the Minister of Finance in terms of General Notice 522 of 2007, regarding compliance with requirements of IAS 36: Impairment of Assets and certain requirements of GAMAP 17: Property, Plant and Equipment (impairment, the review of the useful life and assessment of the depreciation method of recognised assets).		
No retrospective application for the implementation of GRAP 17 on Property, Plant and Equipment, GRAP 16 on Investment Property and GRAP 100 Non Current Assets Held for Sale and Discontinued Operations.		
IAS 36 and GRAP 17 was implemented during the 0809 financial period.		
The municipality had embarked on a project for the unbundling of its Infrastructure assets, and during the current year the consulting engineers, AURECON, finalised the process of itemising and valuing assets in order to comply with MFMA Circular 18 of 2005, and the Guidelines on implementation of approved standards of generally recognised accounting practice of 2005. The fair value of assets were determined using the depreciated replacement cost approach. In consultation with National Treasury it was established that the fair values determined is not a revaluation, but a deemed cost to be depreciated during the remaining useful lives of these assets.		
Impairment and the remaining useful lives of assets were also taken into consideration by the consulting engineers during the process of identifying and unbundling of Infrastructure assets and included in the Depreciated Replacement Cost calculated during the exercise. The amounts for Impairment were not calculated separately and therefore no impaired values of Infrastructure assets are disclosed.		
<b>42.12 Accounting for Investment Property</b>		
During the prior period the municipality had utilized the exemption granted by the Minister of Finance in terms of General Notice 522 of 2007, regarding compliance with the requirements of IAS 40: Investment Property. Investment Properties were identified and the fair values determined as at 30 June 2009 only. Retrospective application is considered to be impracticable and no prior period amounts are therefore restated.		
<b>42.13 Accounting for Non-Current Assets Held for Sale</b>		
During the prior period the municipality had utilized the exemption granted by the Minister of Finance in terms of General Notice 522 of 2007, regarding compliance with the requirements of GRAP 100. Properties were identified and the fair values determined as at 30 June 2009 only. Retrospective application is considered to be impracticable and no prior period amounts are therefore restated.		
<b>42.14 Reserves to Accumulated Surplus</b>		
Since fund accounting is not allowed i.t.o GRAP the municipality's internal funds and reserves should form part of the Accumulated Surplus and not as separate reserves on the face of the Statement of Financial Position and Statement of changes in Net Assets. The error was corrected in the current financial period.		

STELLENBOSCH MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	RESTATED 2008 R
<b>42.15 Fines Related Matters</b>		
Income collected by Ace Parking Services for the month of June 2008 was included in the 2008/2009 financial year for an amount of R146,019.20		
<b>Increase/(Decrease) in Current Assets</b>		
Other Debtors		146,019
<b>Decrease / (Increase) in Income</b>		
Income: Parking Metres		-146,019
<b>Decrease/(Increase) in surplus for the year ended 30 June 2008</b>		<b>146,019</b>
<b>42.16 Biological Assets</b>		
Biological Assets were not stated at fair value prior periods in term of GRAP101.17		
<b>Increase/(Decrease) in Non-Current Assets</b>		
Biological Assets		5,756,080
<b>Decrease / (Increase) in Income</b>		
Profit / (loss) on fair value adjustment		-1,153,562
<b>Decrease/(Increase) in surplus for the year ended 30 June 2008</b>		<b>-4,602,518</b>
<b>42.17 Write of Debtors</b>		
There is no supportive documentation to support amounts owed by SARS		
<b>Increase/(decrease) in Non-Current Assets</b>		
Other Debtors		-322,952
<b>Decrease/(Increase) in surplus for the year ended 30 June 2008</b>		<b>322,952</b>
<b>42.18 Electricity Expenditure incorrectly recorded</b>		
June 2008 bulk electricity account was erroneously recorded in 2008_2009 financial year		
<b>(Increase)/decrease in Current Liabilities</b>		
Trade Creditors		-8,382,926
<b>Decrease/(Increase) in surplus for the year ended 30 June 2008</b>		<b>8,382,926</b>
<b>42.19 Funding Sources of Assets</b>		
Correction of allocation of funding of assets		
<b>Increase/(decrease) in Net Assets</b>		<b>-9,378,424</b>
Capitalisation Reserve		448,455,575
Government Grants Reserve		-126,146
Public Contributions and Donations Reserve		-457,707,853

As a result of the above errors and changes in accounting policies, prior period revenue, expenditure and net asset transfer amounts are restated as follows:

Note	Previously reported 2008	Amount of correction 2008	Restated 2008
<b>REVENUE</b>		-	
Property rates	101,769,099		101,769,099
Property rates - penalties imposed and collection charges	2,273,054		2,273,054
Service charges	242,515,636		242,515,636
Rental of facilities and equipment	4,184,240		4,184,240
Interest earned - external investments	22,467,369		22,467,369
Interest earned - outstanding debtors	2,531,019		2,531,019
Fines	15,348,868		15,348,868
Licences and permits	21,651,090	975,330	22,626,421
Government grants and subsidies	48,046,902		48,046,902
Other income	21,816,948	631,331	22,448,279
contributed property, plant and	4,261,314		4,261,314
Gains on disposal of property, plant and equipment	13,187,320	130,965	13,318,285
<b>Increase/(Decrease) in Revenue</b>	<b>500,052,859</b>	<b>1,737,626</b>	<b>501,790,486</b>
<b>EXPENDITURE</b>			
Employee related costs	154,149,309		154,149,309
Remuneration of Councillors	7,641,048		7,641,048
Bad debts	11,543,962	(16,739,868)	-5,195,905
Collection costs	752,678		752,678
Depreciation	40,180,479		40,180,479
Repairs and maintenance	25,932,998		25,932,998
Interest paid	3,214,351		3,214,351
Bulk purchases	82,587,274	8,382,926	90,970,200
Grants and subsidies paid	4,415,217		4,415,217
General expenses	114,505,856	(3,087,356)	111,418,500
Contributions to/(transfers from) provisions	2,723,422	26,495,404	29,218,826
Loss on disposal of property, plant and equipment	-		-
Impairment Loss on Financial Instruments	-		-
Profit / (loss) on fair value adjustment	-	(4,602,518)	-4,602,518
Inventories: (Write-down) / reversal of write-down	-	22,276,154	22,276,154
<b>Increase/(Decrease) in Expenditure</b>	<b>447,646,594</b>	<b>10,448,588</b>	<b>480,371,337</b>
<b>Increase/(Decrease) in surplus for the year ended 30 June 2008</b>	<b>52,406,265</b>	<b>(8,710,962)</b>	<b>21,419,149</b>

STELLENBOSCH MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	RESTATED 2008 R
--	-----------	-----------------------

Reconciliation of adjustments due to changes in accounting policies and prior period errors

	Previously reported 2008	Amount of correction 2008	Restated 2,008
<b>NET ASSETS AND LIABILITIES</b>			
<b>Net Assets</b>	<b>1,105,669,093</b>	<b>-166,035,855</b>	<b>939,633,238</b>
Housing development fund	4,893,384	0	4,893,384
Capital replacement reserve	151,746,658	-151,746,658	-
Capitalisation reserve	137,900,038	-137,900,038	-
Government grant reserve	121,421,949	-121,421,949	-
Donations and public contr reserve	559,112,456	-559,112,456	-
Self-insurance reserve	6,699,262	-6,699,262	-
Accumulated Surplus	123,895,346	810,844,508	934,739,854
<b>Non-current liabilities</b>	<b>45,728,144</b>	<b>16,361,693</b>	<b>62,089,838</b>
Trust funds	75,273	0	75,273
Non-current payables	825,807	0	825,807
Long-term liabilities	27,005,787	16,361,693	43,367,480
Non-current provisions	17,821,277	0	17,821,277
<b>Current liabilities</b>	<b>135,590,326</b>	<b>57,633,769</b>	<b>193,224,095</b>
Consumer deposits	6,887,408	0	6,887,408
Provisions	5,825,742	51,646,730	57,472,472
Creditors	51,578,673	5,987,039	57,565,712
Unspent conditional grants and receipts	65,085,253	0	65,085,253
VAT	2,740,397	0	2,740,397
Short-term loans	-	0	-
Current portion of long-term liabilities	3,472,854	0	3,472,854
<b>Total Net Assets and Liabilities</b>	<b>1,286,987,564</b>	<b>-92,040,393</b>	<b>1,194,947,171</b>
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>991,464,386</b>	<b>-98,597,104</b>	<b>892,867,283</b>
Property, plant and equipment	970,325,295	-102,294,039	868,031,256
Intangible assets	1,433,203	0	1,433,203
Investment property	-	0	-
Biological assets	15,000,000	5,756,080	20,756,080
Investments	1,313,319	0	1,313,319
Long-term receivables	3,392,568	-2,059,145	1,333,424
<b>Current assets</b>	<b>295,523,177</b>	<b>6,556,711</b>	<b>302,079,888</b>
Inventory	6,311,031	34,906	6,345,937
Consumer debtors	32,314,529	16,739,868	49,054,397
Other debtors	31,218,595	-10,218,063	21,000,532
Current portion of non-current loans	401,632	0	401,632
Call investment deposits	208,597,549	0	208,597,549
Bank balances and cash	16,647,242	0	16,647,242
Cash on hand	32,600	0	32,600
<b>Total Assets</b>	<b>1,286,987,564</b>	<b>-92,040,393</b>	<b>1,194,947,171</b>

43. CASH GENERATED BY OPERATIONS

Net surplus for the year	9,487,770	58,178,695
Adjustment for:		
Depreciation	42,389,160	37,585,379
Gain on disposal of property, plant and equipment		(13,187,320)
Loss on disposal of property, plant and equipment		-
Appropriations charged against income:	12,894,727	
Insurance reserve		1,034,774
Housing schemes		(1,006,321)
Investment income	(33,404,279)	(27,271,441)
Interest paid	2,780,891	3,214,351
Non-operating income/(expenditure)	3,239,468	
Housing Development Fund	(835,910)	(645,503)
Reserves		1,107,259
Increase/(Decrease) in provisions	3,446,760	3,876,043
Increase/(Decrease) in Post Retirement Benefit	20,133,400	20,815,000
<b>Operating surplus before working capital changes</b>	<b>60,131,987</b>	<b>83,700,916</b>
(Increase)/Decrease in inventories	89,840	875,813
(Increase)/Decrease in biological assets		-
(Increase)/Decrease in debtors	(11,541,458)	(28,292,463)
(Increase)/Decrease in other debtors	1,299,176	7,498,141
Increase/(Decrease) in conditional grants and receipts	7,453,221	22,284,059
Increase/(Decrease) in VAT	(180,167)	(656,897)
Increase/(Decrease) in creditors	10,202,694	11,793,762
Increase/(Decrease) in Net Operating Lease Liability		(83,122)
<b>Cash generated by operations</b>	<b>67,455,292</b>	<b>97,120,210</b>

CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position:

Bank balances and cash	16,396,294	16,647,242
Cash on hand	39,450	32,600
Call investment deposits	198,462,593	208,597,549
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>214,898,337</b>	<b>225,277,391</b>

Stellenbosch Municipality has an approved overdraft facility of R3 000 000 at ABSA Bank, which was never utilised for the year under review.

44. NON-CASH INVESTING AND FINANCING TRANSACTIONS

The municipality did not enter into any Non-cash Investing and Financing Transactions during the 2008/2009 financial year.

STELLENBOSCH MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	RESTATED 2008 R
<b>45. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION</b>		
Long-term Liabilities (See Note 4)	27,144,398	30,979,570
Used to finance Property, Plant and Equipment - at cost	(27,144,398)	(30,979,570)
Sub-total	-	-
Cash set aside for the Repayment of Long-term Liabilities (See Notes 4 and 15)	-	(8,179,716)
<b>Cash invested for Repayment of Long-term Liabilities</b>	<u>-</u>	<u>(8,179,716)</u>
Long-term Liabilities have been utilised in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that Long-term Liabilities can be repaid on the scheduled redemption dates.		
<b>46. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED</b>		
<b>46.1 Unauthorised Expenditure</b>		
No unauthorised expenditure was incurred during the current year or comparative year.		
<b>46.2 Fruitless and Wasteful Expenditure</b>		
No fruitless and wasteful expenditure was incurred during the current year or comparative year.		
<b>46.3 Irregular Expenditure</b>		
An amount of R836 316.55 was incurred in terms of payment to Millenium Waste that was not in accordance with the supply chain policy; no irregular expenditure was incurred during the comparative year.		
<b>47. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT</b>		
<b>47.1 Contributions to organised local government - SALGA</b>		
Opening Balance	-	-
Council Subscriptions	831,243	586,328
Amount Paid - current year	(831,243)	-586,328
Amount Paid - previous years	-	-
<b>Balance Unpaid (included in Creditors)</b>	<u>-</u>	<u>-</u>
<b>47.2 Audit Fees</b>		
Opening Balance	-	-
Current year Audit Fee	1,299,098	964,524
Amount Paid - current year	(1,299,098)	-964,524
Amount Paid - previous years	-	-
<b>Balance Unpaid (included in Creditors)</b>	<u>-</u>	<u>-</u>
<b>47.3 VAT</b>		
VAT inputs receivables and VAT outputs receivables are shown in Note 11. All VAT returns have been submitted by the due date throughout the year.		
<b>47.4 PAYE and UIF</b>		
Opening Balance	(1,988,018)	-1,349,629
Current year Payroll Deductions	(22,655,967)	-20,333,154
Amount Paid - current year	20,931,240	18,345,136
Amount Paid - previous years	1,988,018	1,349,629
<b>Balance Unpaid (included in Creditors)</b>	<u>(1,724,727)</u>	<u>-1,988,018</u>
The balance represents PAYE and UIF deducted from the June 2009 payroll. These amounts were paid during July 2009.		
<b>47.5 Pension and Medical Aid Deductions</b>		
Opening Balance	-	-
Current year Payroll Deductions and Council Contributions	(48,996,005)	-46,731,980
Amount Paid - current year	48,996,005	46,731,980
Amount Paid - previous years	-	-
<b>Balance Unpaid (included in Creditors)</b>	<u>-</u>	<u>-</u>
<b>47.6 Councillor's arrear Consumer Accounts</b>		
During the financial year under review no Councillor was in arrears with the settlement of their municipal accounts.		

**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	RESTATED 2008 R			
<b>47.7 Non-Compliance with Chapter 11 of the Municipal Finance Management Act</b>					
<b>Finance Management Act</b>					
No known matters existed at reporting date.					
<b>47.8 Deviation from, and ratification of, minor breaches of the Procurement Processes</b>					
In terms of section 36(2) of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved / condoned by the Municipal Manager and noted by Council. Refer Appendix G.					
<b>48. COMMITMENTS FOR EXPENDITURE</b>					
<b>48.1 Capital Commitments</b>					
Commitments in respect of Capital Expenditure:					
- <b>Approved and Contracted for:-</b>	<b>4,925,134</b>	<b>-</b>			
Infrastructure	4,925,134	-			
Community	-	-			
Heritage	-	-			
Other	-	-			
Housing Development Fund	-	-			
Investment Properties	-	-			
- <b>Approved but Not Yet Contracted for:-</b>	<b>264,293,077</b>	<b>156,197,000</b>			
Infrastructure	176,546,866	118,532,000			
Community	67,691,000	9,480,000			
Heritage	-	-			
Other	20,055,212	28,185,000			
Housing Development Fund	-	-			
Investment Properties	-	-			
<b>Total Capital Commitments</b>	<b>269,218,212</b>	<b>156,197,000</b>			
This expenditure will be financed from:					
External Loans	85,350,000	23,570,000			
Capital Replacement Reserve	103,412,473	61,000,000			
Government Grants	68,163,522	61,032,000			
Public Contributions	12,292,217	10,595,000			
	<b>269,218,212</b>	<b>156,197,000</b>			
<b>48.2 Lease Commitments</b>					
Finance Lease Liabilities and Non-cancellable Operating Lease Commitments are disclosed in Notes 8 and .					
<b>Operating Leases</b>					
	<b>Vehicles</b>	<b>Buildings and other fixed assets</b>	<b>Machinery and equipment</b>	<b>Total 2008/2009</b>	<b>Total 2007/2008</b>
Not later than 1 year	66,102.00	2,081,763.00	103,710.00	2,251,575.00	3,253,573
Later than 1 year and not later than 5 years	-	822,251.00	-	822,251.00	3,073,826
<b>Total present value of lease liabilities</b>	<b>66,102.00</b>	<b>2,904,014.00</b>	<b>103,710.00</b>	<b>3,073,826.00</b>	<b>6,327,399</b>
<b>48.3 Other Commitments</b>					
The municipality has entered into a contract with Price Waterhouse Coopers for the provision of a total and comprehensive internal services unit for the next 3 years, which will give rise to an annual charge of approximately R 2 700 378.28					
<b>49. FINANCIAL INSTRUMENTS</b>					
<b>49.1 Classification</b>					
<b>FINANCIAL ASSETS:</b>					
In accordance with IAS 39.09 the Financial Assets of the municipality are classified as follows:					
(FVTPL = Fair Value through Profit or Loss)					
	<u>Financial Assets</u>	<u>Classification</u>			
<b>Non-current Investments</b>					
Fixed Deposits		Held to maturity	-		1,313,319
<b>Long-term Receivables</b>					
Car Loans		Loans and receivables	47		12,095
Sale of Erven		Loans and receivables	134,837		240,825
Farmers: Water scheme		Loans and receivables	417,015		425,993
Officials: Erven loans		Loans and receivables	69,242		74,709
Housing Selling Scheme Loans		Loans and receivables	2,319,185		2,618,748
<b>Consumer Debtors</b>					
Assessment Rates		Loans and receivables	17,056,411		12,245,802
Electricity		Loans and receivables	16,264,431		11,497,492
Refuse		Loans and receivables	4,383,482		5,514,875
Sewerage		Loans and receivables	6,365,351		3,813,050
Water		Loans and receivables	10,977,185		6,876,598
Housing		Loans and receivables	6,604,246		9,106,580
<b>Other Debtors</b>					
Sundry		Loans and receivables	1,002,773		3,312,191
Closing of financial year		Loans and receivables	11,439,962		4,965,042
Other Debtors		Loans and receivables	362,417		48,360
Capital Debtors		Loans and receivables	6,896,204		12,674,939
<b>VAT Receivable</b>					
VAT Control Accounts		Loans and receivables	5,947,664		4,323,408
<b>Bank,Cash and Cash Equivalents</b>					
Call Deposits		Held to maturity	198,462,593		208,597,549
<b>Current Portion of Long-term Receivables</b>					
Car Loans		Loans and receivables	32,203		29,735
Sale of Erven		Loans and receivables	105,912		100,669
Officials: Erven loans		Loans and receivables	5,464		5,146
Farmers: Water scheme		Loans and receivables	7,942		6,906
Housing Selling Scheme Loans		Loans and receivables	196,052		259,176
<b>SUMMARY OF FINANCIAL ASSETS</b>					
<b>Held to maturity:</b>					
Investments		Fixed Deposits	-		1,313,319



STELLENBOSCH MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

		2009 R	RESTATED 2008 R
Short-term Investment Deposits	Call Deposits	198,462,593	208,597,549
		<u>198,462,593</u>	<u>209,910,868</u>

**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

		2009 R	RESTATED 2008 R
<b>Loans and Receivables</b>			
Long-term Receivables	Car Loans	47	12,095
Long-term Receivables	Sale of Erven	134,837	240,825
Long-term Receivables	Farmers: Water scheme	417,015	425,993
Long-term Receivables	Officials: Erven loans	69,242	74,709
Long-term Receivables	Housing Selling Scheme Loans	2,319,185	2,618,748
Consumer Debtors	Assessment Rates	17,056,411	12,245,802
Consumer Debtors	Electricity	16,264,431	11,497,492
Consumer Debtors	Refuse	4,383,482	5,514,875
Consumer Debtors	Sewerage	6,365,351	3,813,050
Consumer Debtors	Water	10,977,185	6,876,598
Consumer Debtors	Housing	6,604,246	9,106,580
Other Debtors	Sundry	1,002,773	3,312,191
Other Debtors	Closing of financial year	11,439,962	4,965,042
Other Debtors	Other Debtors	362,417	48,360
Other Debtors	Capital Debtors	6,896,204	12,674,939
VAT Receivable	VAT Control Accounts	5,947,664	4,323,408
Current Portion of Long-term Receivables	Car Loans	32,203	29,735
Current Portion of Long-term Receivables	Sale of Erven	105,912	100,669
Current Portion of Long-term Receivables	Officials: Erven loans	5,464	5,146
Current Portion of Long-term Receivables	Farmers: Water scheme	7,942	6,906
Current Portion of Long-term Receivables	Housing Selling Scheme Loans	196,052	259,176
		<u>90,588,023</u>	<u>78,152,340</u>
<b>Available for Sale:</b>			
Bank Balances and Cash	Bank Balances	16,396,294	225,277,391
Bank Balances and Cash	Cash Floats and Advances	<u>16,396,294</u>	<u>225,277,391</u>
<b>Total Financial Assets</b>		<u><b>305,446,910</b></u>	<u><b>513,340,599</b></u>
<b>FINANCIAL LIABILITIES:</b>			
In accordance with IAS 39.09 the Financial Liabilities of the municipality are classified as follows (FVTPL = Fair Value through Profit or Loss):			
	<b><u>Financial Liabilities</u></b>	<b><u>Classification</u></b>	
<b>Long-term Liabilities</b>			
Annuity Loans	Financial liabilities at amortised cost	25,606,816	27,005,787
<b>Consumer Deposits</b>			
Electricity and Water	Financial liabilities at amortised cost	7,265,822	6,521,484
Housing	Financial liabilities at amortised cost	367,449	365,924
<b>Creditors</b>			
Trade Creditors	Financial liabilities at amortised cost	27,848,574	17,974,272
Payments received in Advance	Financial liabilities at amortised cost	10,365,304	11,487,660
Sundry Deposits	Financial liabilities at amortised cost	475,304	-
Other Creditors	Financial liabilities at amortised cost	8,993,909	12,550,350
Leave Gratuity	Financial liabilities at amortised cost	10,820,165	9,956,768
Retentions	Financial liabilities at amortised cost	2,317,189	1,840,716
Salary Control	Financial liabilities at amortised cost	2,114,141	-
Creditors Suspense Accounts	Financial liabilities at amortised cost	-	-
<b>Unspent Conditional Grants and Receipts</b>			
National Government Grants	Financial liabilities at amortised cost	32,933,306	25,794,352
Provincial Government Grants	Financial liabilities at amortised cost	22,954,194	17,978,673
Other Sources	Financial liabilities at amortised cost	(2,720,834)	455,369
Developers Contributions	Financial liabilities at amortised cost	12,387,718	17,208,006
Public Contributions/Private	Financial liabilities at amortised cost	3,648,853	3,648,853
<b>VAT Payable</b>			
VAT Control Accounts	Financial liabilities at amortised cost	447,112	2,740,397
<b>Operating Lease Liabilities</b>			
Operating Lease Liabilities / Payables	Financial liabilities at amortised cost	147,663	94,841
<b>Current Portion of Long-term Liabilities</b>			
Annuity Loans	Financial liabilities at amortised cost	1,398,971	3,472,854

**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	RESTATED 2008 R
<b>SUMMARY OF FINANCIAL LIABILITIES</b>		
<b>Financial Liabilities at Amortised Cost:</b>		
Long-term Liabilities	25,606,816	27,005,787
Consumer Deposits	7,265,822	6,521,484
Consumer Deposits	367,449	365,924
Creditors	27,848,574	17,974,272
Creditors	10,365,304	11,487,660
Creditors	475,304	-
Creditors	8,993,909	12,550,350
Creditors	10,820,165	9,956,768
Creditors	2,317,189	1,840,716
Creditors	2,114,141	-
Creditors	-	-
Unspent Conditional Grants and Receipts	32,933,306	25,794,352
Unspent Conditional Grants and Receipts	22,954,194	17,978,673
Unspent Conditional Grants and Receipts	(2,720,834)	455,369
Unspent Conditional Grants and Receipts	12,387,718	17,208,006
Unspent Conditional Grants and Receipts	3,648,853	3,648,853
VAT Payable	447,112	2,740,397
Short-term Loans	-	-
Operating Lease Liability	147,663	94,841
Current Portion of Long-term Liabilities	1,398,971	3,472,854
	<u>167,371,655</u>	<u>159,096,306</u>
<b>Total Financial Liabilities</b>	<u><b>167,371,655</b></u>	<u><b>159,096,306</b></u>

**49.2 Fair Value**

The management of the municipality is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the Annual Financial Statements approximate their fair values. The fair value of Financial Assets and Financial Liabilities were determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the the current payment ratio's of the municipality's debtors.

	30 June 2009 Carrying Amount R	Fair Value R	30 June 2008 Carrying Amount R	Fair Value R
<b>FINANCIAL ASSETS</b>				
<b>Held to maturity:</b>	198,462,593	198,462,593	209,910,868	209,910,868
Fixed Deposits	-	-	1,313,319	1,313,319
Call Deposits	198,462,593	198,462,593	208,597,549	208,597,549
<b>Loans and Receivables</b>	87,995,602	87,995,602	75,192,801	75,192,801
Long-term Receivables	551,899	551,899	678,914	678,914
Consumer Debtors	61,651,106	61,651,106	49,054,397	49,054,397
Other Debtors	19,701,356	19,701,356	21,000,532	21,000,532
VAT Receivable	5,947,664	5,947,664	4,323,408	4,323,408
Current Portion of Long-term Receivables	143,578	143,578	135,550	135,550
<b>Available for Sale</b>	16,435,744	16,435,744	7,943,702	7,943,702
Bank Balances and Cash	16,435,744	16,435,744	7,943,702	7,943,702
<b>Total Financial Assets</b>	<u>302,893,939</u>	<u>302,893,939</u>	<u>293,047,370</u>	<u>293,047,370</u>

	30 June 2009 Carrying Amount R	Fair Value R	30 June 2008 Carrying Amount R	Fair Value R
<b>FINANCIAL LIABILITIES</b>				
<b>Designated as FVTPL:</b>	162,572,876	162,572,876	156,889,665	156,889,665
Bank Facilities:	25,606,816	25,606,816	27,005,787	27,005,787
- Annuity Loans	25,606,816	25,606,816	27,005,787	27,005,787
Trade and Other Payables:	136,966,060	136,966,060	129,883,878	129,883,878
- Consumer Deposits	7,265,822	7,265,822	6,521,484	6,521,484
- Creditors	58,503,255	58,503,255	51,969,050	51,969,050
- Unspent Conditional Grants	69,203,236	69,203,236	65,085,253	65,085,253
- VAT Payable	447,112	447,112	2,740,397	2,740,397
- Short-term Loans	-	-	-	-
- Operating Lease Liabilities	147,663	147,663	94,841	94,841
- Current Portion of Long-term Liabilities	1,398,971	1,398,971	3,472,854	3,472,854
<b>Total Financial Liabilities</b>	<u>162,572,876</u>	<u>162,572,876</u>	<u>156,889,665</u>	<u>156,889,665</u>
<b>Total Financial Instruments</b>	<u>(4,798,779.64)</u>	<u>140,321,063</u>	<u>(2,206,640.75)</u>	<u>136,157,705</u>
<b>Unrecognised Gain / (Loss)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

At the reporting date there are no significant concentrations of credit risk for Loans and Receivables at Fair Value. The carrying amount reflected above represents the municipality's maximum exposure to credit risk for such loans and receivables.

The Fair Value of Financial Assets and Financial Liabilities were determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the the current payment ratio's of the municipality's debtors.

**49.3 Capital Risk Management**

The municipality manages its capital to ensure that the municipality will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The municipality's overall strategy remains unchanged from 2008.

The capital structure of the municipality consists of debt, which includes the Long-term Liabilities disclosed in Note 4, Bank, Cash and Cash Equivalents and Equity, comprising Funds, Reserves and Accumulated Surplus as disclosed in Note 2 and the Statement of Changes in Net Assets.

**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	RESTATED 2008 R
<b><u>Gearing Ratio</u></b>		
In terms of the municipality's five year financial plan, financial benchmarks, year-on-year in respect of the debt-to-equity ratio, is reflected at 95,00%, reducing 90,00%. This aggressive ratio is as a result of the development challenges faced by the municipality. The rate of borrowing is well below market related rates.		
The gearing ratio at the year-end was as follows:		
Debt	27,005,787	30,478,641
Bank, Cash and Cash Equivalents	16,435,744	7,943,702
Net Debt	<u>43,441,530</u>	<u>38,422,343</u>
Equity	<u>3,045,258,102</u>	<u>939,633,238</u>
Net debt to equity ratio	<u>1.43%</u>	<u>0</u>

Debt is defined as Long- and Short-term Liabilities, as detailed in Note 4.  
Equity includes all Funds and Reserves of the municipality, disclosed as Net Assets in the Statement of Financial Performance.

**49.4 Financial Risk Management Objectives**

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Directorate: Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

**49.5 Significant Accounting Policies**

Details of the significant Accounting Policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in the Accounting Policies to the Annual Financial Statements.

**49.6 Market Risk**

The municipality's activities expose it primarily to the financial risks of changes in interest rates (see Note 57.8 below). No formal policy exists to hedge volatilities in the interest rate market.

**49.6.1 Foreign Currency Risk Management**

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in the interest rate market.

**49.6.2 Interest Rate Risk Management**

*Interest Rate Risk* is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made without consultation with the councillor responsible for financial matters.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality is not exposed to interest rate risk as the municipality borrows funds at fixed interest rates.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

**Interest Rate Sensitivity Analysis**

The municipality had no variable rate long-term financial instruments at year-end requiring an Interest Rate Sensitivity Analysis.

**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**49. FINANCIAL INSTRUMENTS (Continued)**

**49.7 Effective Interest Rates and Repricing Analysis**

In accordance with IAS 32.67(a) and (b) the following tables indicate the average effective interest rates of Income-earning Financial Assets and Interest-bearing Financial Liabilities at the reporting date and the periods in which they mature or, if earlier, reprice:

**30 June 2009**

Description	Note ref in AFS	Average effective Interest Rate %	Total R	6 Months or less R	6 - 12 Months R	1 - 2 Years R	2 - 5 Years R	More than 5 Years R
<b>FIXED RATE INSTRUMENTS</b>								
Held-to-maturity Investments	15		-	-	-	-	-	-
Fixed Deposits			-	-	-	-	-	-
<b>Total Fixed Rate Instruments</b>			-	-	-	-	-	-
<b>VARIABLE RATE INSTRUMENTS</b>								
Short-term Investment Deposits	21		198,462,593					
Bank Balances and Cash	22		16,396,294					
<b>Total Fixed Rate Instruments</b>			<b>214,858,887</b>	-	-	-	-	-

STELLENBOSCH MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

30 June 2008

Description	Note ref in AFS #	Average effective Interest Rate %	Total R	6 Months or less R	6 - 12 Months R	1 - 2 Years R	2 - 5 Years R	More than 5 Years R
<b>FIXED RATE INSTRUMENTS</b>								
Held-to-maturity Investments	15		1,313,319	-	-	-	-	-
Fixed Deposits			1,313,319	-	-	-	-	-
<b>Total Fixed Rate Instruments</b>			<b>1,313,319</b>	-	-	-	-	-
<b>VARIABLE RATE INSTRUMENTS</b>								
Short-term Investment Deposits	21		208,597,549	-	-	-	-	-
Bank Balances and Cash	22		225,277,391	-	-	-	-	-
<b>Total Fixed Rate Instruments</b>			<b>433,874,939</b>	-	-	-	-	-

**49.8 Other Price Risks**

The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.

**49.9 Liquidity Risk Management**

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in Note 47 is a listing of additional undrawn facilities that the municipality has at its disposal to further reduce liquidity risk (cash).

**Liquidity and Interest Risk Tables**

The following tables detail the municipality's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the municipality can be required to pay. The table includes both interest and principal cash flows.

**STELLENBOSCH MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

Description	Note ref in AFS #	Average effective Interest Rate %	Total R	6 Months or less R	6 - 12 Months R	1 - 2 Years R	2 - 5 Years R	More than 5 Years R
<b>30 June 2009</b>								
Non-interest Bearing			29,508,654	29,508,654.48	-	-	-	-
Fixed Interest Rate Instruments		11.25%	27,005,790	1,933,050	1,933,050	3,866,101	11,598,304	7,675,284
			<b>56,514,444</b>	<b>31,441,705</b>	<b>1,933,050</b>	<b>3,866,101</b>	<b>11,598,304</b>	<b>7,675,284</b>
<b>30 June 2008</b>								
Non-interest Bearing			23,031,700	23,031,700	-	-	-	-
Fixed Interest Rate Instruments		11.25%	30,478,641	3,126,695	3,126,695	3,866,101	11,598,304	8,760,846
			<b>53,510,341</b>	<b>26,158,395</b>	<b>3,126,695</b>	<b>3,866,101</b>	<b>11,598,304</b>	<b>8,760,846</b>

The municipality expects to meet its obligations from operating cash flows and proceeds of maturing financial assets. The municipality expects to maintain current debt to equity ratio. This will be achieved through increased service tariff charges and the increased use of unsecured bank loan facilities.

**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

	2009 R	2008 R
<b>49. FINANCIAL INSTRUMENTS (Continued)</b>		
<b>49.10 Credit Risk Management</b>		
<p><i>Credit Risk</i> refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses other publicly available financial information and its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.</p> <p>Potential concentrations of credit rate risk consist mainly of long-term receivables, consumer debtors, other debtors, bank and cash balances.</p> <p>The municipality limits its counterparty exposures from its investment operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by the Council.</p> <p>Consumer Debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas within the jurisdiction of the municipality. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment.</p> <p>In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.</p> <p>Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.</p> <p>The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics, except for Sasol who has large investments in the municipal area and does not pose any risk. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.</p>		
	2009 R	2008 R
The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:		
Fixed Deposit Investments	-	1,313,319
Long-term Receivables	3,287,898	3,794,200
Consumer Debtors	61,651,106	44,730,989
Other Debtors	19,701,356	21,000,532
Bank, Cash and Cash Equivalents	214,898,337	225,277,391
<b>Maximum Credit and Interest Risk Exposure</b>	<b>299,538,697</b>	<b>296,116,431</b>

**50. MULTI-EMPLOYER RETIREMENT BENEFIT INFORMATION**

All councillors belong to the Pension Fund for Municipal Councillors.

Employees belong to a variety of approved Pension and Provident Funds as described below.

These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

The Municipal Councillors Pension Fund and the South African Municipal Workers Union National Provident Fund are defined contribution plans, whereas the other funds are defined benefit plans. All of these afore-mentioned funds are multi-employer plans. Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the

- (i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.
- (ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.
- (iii) The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers.



**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer. The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of R19,7 million (2008: R17,7 million) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

The Retirement Funds have been valued by making use of the Discounted Cash Flow method of valuation.

**DEFINED BENEFIT SCHEMES**

**SALA Pension Fund:**

The funding level has increased from 106% in 2006 to 110,0% on 1 July 2007. The Solvency Reserve has been calculated at R1 589.3 million for active members and R346.1 million in respect of pensioners. It should be noted that the previous valuation was done by Old Mutual Actuaries and Consultants whereas the latest valuation was done by Genesis Actuarial Solutions. There were restatements of certain published figures but the conclusion was drawn that the fund is financially sound at the valuation date.

**Cape Joint Pension Fund**

The Cape Joint Pension Fund is a multi employer plan and the contribution rate payable is 27%, 9% by the members and 18% by Council. The valuation disclosed an actuarial surplus of R182 million and was funded at 106,5%. The fund was certified as being in a sound financial condition as at 30 June 2008 by an actuary.

**DEFINED CONTRIBUTION SCHEMES**

**Cape Joint Pension Fund**

This scheme was established to accommodate the unique characteristics of contract employees and "cost to company" employees. All existing members were given the option to transfer to the defined contribution plan before 1 July 2003. The actuary report certified that the structure of the assets is appropriate relative to the nature of the liabilities, assuming a smoothed bonus philosophy, and given normal circumstances.

The fund was certified as being in a sound financial condition as at 30 June 2008 by the actuary. The valuation disclosed a funding level of 103.3%

**Cape Joint Retirement Fund**

The contribution rate paid by the members (9,0%) and Council (18,0%) is sufficient to fund the benefits accruing from the fund in future. The valuation disclosed an actuarial surplus of R 42,9 million for the Pensioners Account and was funded at 112,2%, while the Share Account has an investment reserve of R68,5 million and was funded at 101,1%. The actuary is satisfied the fund in a sound financial position as at 30 June 2008.

**Municipal Councillors Pension Fund:**

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (13,75%) and Council (15,00%) is sufficient to fund the benefits accruing from the fund in the future. The actuarial valuation of the fund was undertaken at 30 June 2006 and reported a funding ratio of 147.3%.

No further details could be provided for after the last valuation, being 30 June 2006.

**South African Municipal Workers Union National Provident Fund:**

The last actuarial valuation of the fund was performed at 30 June 2005 and certified as being in a financially sound position. The next statutory valuation was due on 30 June 2008, but still in process.

None of the above mentioned plans are State Plans.

**51. RELATED PARTY TRANSACTIONS**

**51.1 Loans granted to Related Parties**

In terms of the MFMA, the municipality may not grant loans to its Councillors, Management, Staff and Public with effect from 1 July 2004. Loans, together with the conditions thereof, granted prior to this date are disclosed in Note 14 to the Annual Financial Statements.

**51.2 Compensation of Related Parties**

Compensation of Key Management Personnel and Councillors is set out in Notes 29 and 30 respectively, to the Annual Financial Statements.

**51.3 Purchases from Related Parties**

No related party transactions in terms of the declarations made by Councillors and Key Management Personnel. Refer Appendix H for disclosure in terms of par. 25 of IPSAS 20.

**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**52. CONTINGENT LIABILITIES**

**52.1 Court Proceedings:**

(i) Neighboring farm alleged pollution and other forms of degradation as a result of activities at the squatter camp. They requested the court to issue an order directing the municipality to clean-up and add additional facilities like toilets. The province issued a directive which the municipality now wants reviewed.	500,000	-
(ii) The correctness of tender awards. High court to make a ruling.	200,000	-
(iii) SALA Pension Fund is taking all local authorities, who are not paying the increased contribution as claimed by them, to court. Municipalities to pay the difference between current contribution rate and increased contribution rate. SALGA advised municipalities to maintain status quo.	352,028	-
(vi) Cape Nature is taking the municipality to court for a fire in the District Municipal Area. Although the fire started within the municipal area, the necessary safety precautions were in place and the District Municipality was the responsible legal authority to extinguish the fire.	279,031	-
(vii) Shelfline 104 (PTY) LTD submitted an application against the municipality disputing the tariff applicable on developers liable for payment of bulk infrastructure contribution levies. This matter has now been concluded and judgement is pending. The matter does not involve any potential claims.	200,000	-
(viii) The Stellenbosch Ratepayers' Association is taking the municipality to court and applied for the reviewing and setting aside of, amongst others, the decision to appoint the Second Respondent (Dennis Moss Planners and Architects (Pty) Ltd) by means of a single source appointment as allowed for by the regulations, to do certain work and the legal awards of tenders for construction and upgrade of basic sport facilities. This matter does not involve any amounts claimed.	300,000	-
(viii) The Stellenbosch Ratepayers' Association is taking the municipality to court and applied for the reviewing and setting aside of the rates and tariffs of the Municipality for the 2009/10 financial year. This matter does not involve any potential claims as the Court cannot set aside a budget of a municipality. Council approves a budget by giving effect to their constitutional mandate.	300,000	-

**53. IN-KIND DONATIONS AND ASSISTANCE**

The municipality did not receive any In-kind Donations and Assistance during the year under review.

**54. COMPARISON WITH THE BUDGET**

The comparison of the municipality's actual financial performance with that budgeted, is set out in Annexures "E(1) and E(2)".

**55. PRIVATE PUBLIC PARTNERSHIPS**

The municipality was not a party to any Private Public Partnerships during the financial year 2008/2009.

**56. EVENTS AFTER THE REPORTING DATE**

No events having financial implications requiring disclosure occurred subsequent to 30 June 2009.

Launching of a forensic investigation into alleged corruption relating to housing tenders as per the council decision of 6 November 2009.

A Council decision was made to sell 2 ervens at Technopark with a average fair market value of R 15 875 000.

The market was tested for the taking up of an external loan to the value of R 58 900 000 to fund capital expenditure.

**STELLENBOSCH MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

**57. COMPARATIVE FIGURES**

The comparative figures were restated as a result of the effect of Changes in Accounting Policies (Note 42) and Prior Period Errors (Note 42).

**APPENDIX A**  
**STELLENBOSCH MUNICIPALITY**  
**SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009**

Details	Original Loan Amount	Loan Number	Redeemable	Balance at 30 June 2008	Received during the Period	Redeemed/ Written Off during Period	Balance at 30 June 2009
<b>ANNUITY LOANS</b>	R			R	R	R	R
DBSA @ 11,55%	10,124,398	101007	10,124,398	2,194,833		2,194,833	-
DBSA @ 9,25%	30,000,000	101878	2,994,213	28,283,808		1,278,021	27,005,787
<b>Total annuity loans</b>	<b>40,124,398</b>			<b>30,478,641</b>	<b>-</b>	<b>3,472,854</b>	<b>27,005,787</b>
<b>TOTAL EXTERNAL LOANS</b>	<b>40,124,398</b>	<b>-</b>	<b>-</b>	<b>30,478,641</b>	<b>-</b>	<b>3,472,854</b>	<b>27,005,787</b>

**APPENDIX A**  
**STELLENBOSCH MUNICIPALITY**  
**SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009**

Details	Original Loan Amount	Loan Number	Redeemable	Balance at 30 June 2008	Received during the Period	Redeemed/ Written Off during Period	Balance at 30 June 2009
<b>FINANCE LEASES</b>							
Cape Office Machines	84,360	3552109596	71,692	43,535		30,867	12,668
Cape Office Machines	84,360	3552111531	71,692	43,535		30,867	12,668
Cape Office Machines	140,250	3459637213	140,250			-	
Cape Office Machines	110,560	2233268219	73,677	87,958		51,075	36,883
Cape Office Machines	26,500	3544402322	26,500	9,084		9,084	
Cape Office Machines	27,977	3501232261	27,977	7,157		7,157	
Cape Office Machines	84,000	3311034773	49,727	72,757		38,484	34,273
Cape Office Machines	26,500	3501230250	26,500	5,623		5,623	
Cape Office Machines	26,500	3501134804	26,500	5,623		5,623	
Cape Office Machines	46,888	3824685087	46,888	12,927		12,927	
Cape Office Machines	46,888	3824680166	38,328	27,158		18,598	8,560
Cape Office Machines	12,462	3454883364	12,462			-	
Nashua	150,000	J5836404441	150,000			-	
Nashua	10,000	A4749023431	6,267	5,894		2,161	3,733
Nashua	57,000	J9246621386	45,733	24,086		12,819	11,267
Nashua	46,000	H6716800830	46,000			-	
Nashua	54,000	J9146102494	54,000	10,729		10,729	
Nashua	115,000	H7127200003	115,000			-	
Gestetner	27,198	J9046611950	24,418	8,839		6,059	2,780
Gestetner	42,209	H6836201221	42,209			-	
Gestetner	21,363	H6636403216	21,363	1,255		1,255	
Gestetner	21,363	H6636503064	21,363	1,255		1,255	
Gestetner	79,080	K7166420486	73,993	33,532		28,444	5,088
Gestetner	31,351	L7076165747	20,660	20,961		10,270	10,691
Gestetner	25,294	H6736600952	25,294	1,707		1,707	
Gestetner	27,715	J9256510202	27,715	5,187		5,187	
Gestetner	27,715	J9256510431	27,715	4,343		4,343	
Minolta	160,000	21010569	160,000			-	
Minolta	190,000	21008552	190,000			-	

**APPENDIX A**  
**STELLENBOSCH MUNICIPALITY**  
**SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009**

Details	Original Loan Amount	Loan Number	Redeemable	Balance at 30 June 2008	Received during the Period	Redeemed/ Written Off during Period	Balance at 30 June 2009
INCA	88,644	2231954174	88,644	14,256		14,256	
Sharp	102,000	0050008Y	102,000	6,911		6,911	
Toshiba Winelands	120,000	427327	120,000	29,435		29,435	
<b>TOTAL FINANCE LEASES</b>	<b>2,113,178</b>		<b>1,974,567</b>	<b>483,747</b>	<b>-</b>	<b>345,136</b>	<b>138,611</b>

**ANNUITY LOANS:**

**DBSA:**

Structured unsecured 15 year loan for provision of infrastructure. Original loan capital of R 30 million is repayable semi-annually in fixed instalments of capital and fixed rate interest.

**STELLENBOSCH MUNICIPALITY  
FINANCIAL STATEMENTS  
APPENDIX B  
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT  
30 JUNE 2009**

	Fair Value / Revaluation					Accumulated Depreciation					Closing Balance	Unbundling/ Valuation of assets	Carrying Value	
	Opening balance	Additions	Disposals	Under Construction	Balance before unbundling	Unbundling/ Valuation of assets	Closing Balance	Opening Balance	Depreciation	Disposals				Balance before unbundling
<b>Land and buildings</b>														
Investment property	-	-	-	-	-	512,891,241	512,891,241	-	-	-	-	-	-	512,891,241
Land and buildings	-	-	-	-	-	654,803,300	654,803,300	-	-	-	-	-	-	654,803,300
Landfill sites	-	-	-	-	-	6,272,575	6,272,575	-	-	-	-	-	-	6,184,648
	-	-	-	-	-	1,173,967,117	1,173,967,117	-	-	-	-	-	-	1,173,975,189
<b>Buildings</b>														
Operational Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>														
Access control	810,830	-	-	38,678	849,508	(80,940)	768,567	810,830	127	-	810,957	(80,940)	730,016	38,551
Aprons	-	111,614	-	-	111,614	14,067,163	14,137,162	9,346	92	-	11,679	-	92	11,522
Bridges, subways	69,999	-	-	-	69,999	4,092,126	4,112,126	13,507	2,333	-	14,507	237,069	251,066	14,125,483
Bus terminals	20,000	-	-	-	20,000	(1,143,814)	24,389	7,111	58,410	-	65,521	(93,196)	17,066	3,860,521
Buildings	1,168,202	-	-	865,690	3,385,790	3,757,622	6,957,612	372,060	463,866	-	637,676	(14,863,816)	1,619,860	5,317,752
Car parks	2,520,101	-	-	34,563,443	36,383,544	30,595,912	35,559,311	1,356,554	38,554	-	1,594,879	(1,450,528)	134,351	35,424,960
Fencing	766,861	-	-	305,583	305,983	(305,983)	-	95,797	251	-	96,048	(96,048)	-	-
Floodways	3,856,105	-	-	-	3,856,105	17,297,948	21,154,053	1,887,943	185,430	-	1,873,373	1,808,577	3,481,949	17,672,103
Mains electrical	647,181	-	-	-	647,181	41,091,749	41,738,930	435,675	27,109	-	462,784	-	462,784	41,276,146
Meters electrical	3,635,426	-	-	545,352	4,180,778	(4,180,778)	-	1,426,731	181,846	-	1,608,577	(1,608,577)	-	-
Meters Gas	18,134	-	-	-	18,134	50,619,533	54,490,374	2,117,135	907	-	2,725	(2,725)	-	-
Meters water	3,536,577	138,337	-	194,927	3,870,841	649,193,290	662,564,267	8,240,788	222,003	-	2,339,138	45,484,253	54,608,448	52,151,236
Motorways	13,405,977	-	-	-	13,405,977	(2,094,281)	-	419,430	883,407	-	9,124,195	(524,144)	607,956,819	607,956,819
Mutual sewers	2,094,281	-	-	-	2,094,281	(591,299)	-	168,315	104,714	-	13,496,813	(934,908)	-	-
Paving	581,299	-	-	-	581,299	(56,308,816)	-	11,621,852	29,065	-	13,496,813	(13,496,813)	-	-
Power stations	56,308,816	-	-	-	56,308,816	4,903,869	-	738,155	196,754	-	934,908	(934,908)	-	-
Pump stations	3,827,515	553,540	-	1,076,354	4,903,869	(4,903,869)	172,920,416	6,059,180	915,289	-	6,974,460	(13,496,813)	-	-
Purification works	18,200,568	-	-	4,463,373	23,297,800	149,622,916	-	5,249,161	5,249,161	-	45,061,076	(44,863,445)	197,631	134,126,754
Rights	27,652	-	-	-	27,652	-	6,786,362	6,921	1,383	-	8,303	-	8,303	10,349
Other roads	76,439,331	684,568	-	17,523,851	94,647,750	(87,961,387)	6,786,362	39,811,915	1,181,819	-	45,061,076	(44,863,445)	197,631	6,988,732
Runways	14,562	-	-	-	14,562	(14,562)	-	13,118	728	-	13,846	(13,846)	-	18,304,132
Security system	3,130,829	304,582	-	455,936	3,891,347	16,774,877	20,668,223	1,258,546	625,139	-	1,883,684	478,407	2,362,091	18,304,132
Sewers	52,129,234	181,290	-	1,109,740	53,420,264	(53,420,264)	-	28,550,292	2,213,440	-	30,763,732	(30,763,732)	-	-
Sludge machines	1,228,276	-	-	-	1,228,276	(1,228,276)	-	327,817	77,285	-	405,102	(401,624)	3,478	(3478)
Sewerage pumps	458,868	-	-	-	458,868	(458,868)	-	99,092	30,591	-	129,683	(129,683)	-	-
Street lighting	7,531,131	-	-	982,411	8,513,543	201,498,303	210,011,846	722,749	301,801	-	1,024,550	1,577,382	2,601,932	207,408,914
Supply/reticulation - e	74,072,158	-	-	7,023,753	81,095,912	(81,095,912)	-	26,865,076	3,718,891	-	30,663,967	(30,663,967)	87,916,443	226,860,469
Supply/reticulation - w	87,165,228	4,229,413	-	49,090	91,443,730	223,333,162	314,776,912	54,145,281	3,044,470	-	57,228,751	30,886,692	1,043,093	10,191,991
Stormwater drains	4,355,238	-	-	959,917	5,315,155	5,919,929	11,235,094	800,796	242,297	-	1,043,093	-	1,043,093	132,797,445
Switchgear equipment	750,146	-	-	-	750,146	132,175,220	132,925,366	90,414	37,507	-	127,921	-	127,921	110,077,560
Switchgear equipment	9,653,962	-	-	-	9,653,962	106,854,961	116,508,823	4,121,314	482,644	-	4,603,958	(23,253)	6,431,243	102,416,974
Reservoirs & tanks	1,163,047	-	-	-	1,163,047	(1,163,047)	-	233,516	9,308	-	236,849	(236,849)	-	-
Roadways	1,000,000	-	-	-	1,000,000	115,184,636	116,184,636	33,333	73,748	-	134,082	(134,082)	-	-
Traffic islands	762,477	304,327	-	-	1,066,803	(1,066,803)	-	161,552	357,577	-	296,883	-	-	-
Traffic lights	7,151,550	-	-	-	7,151,550	(7,151,550)	-	238,728	58,155	-	296,883	-	-	-
Street names	1,163,047	-	-	22,484	1,185,531	690,586	1,876,117	194,436,113	-	-	216,304,817	-	217,195,590	1,728,322,252
	440,397,438	6,508,670	-	35,735,682	482,641,790	1,462,876,652	1,945,517,842	194,436,113	21,868,796	-	216,304,817	-	217,195,590	1,728,322,252





**STELLENBOSCH MUNICIPALITY  
FINANCIAL STATEMENTS  
APPENDIX B  
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT  
30 JUNE 2018**

	Fair Value / Revaluation				Accumulated Depreciation				Closing Balance	Unbundling/ Valuation of assets	Unbundling/ Valuation of assets	Closing Balance	Carrying Value
	Opening balance	Additions	Disposals	Under Construction	Balance before unbundling	Unbundling/ Valuation of assets	Closing Balance	Depreciation	Disposals	Balance before unbundling	Unbundling/ Valuation of assets	Closing Balance	
<b>Other Assets</b>													
Air conditioners	173,622	88,677	-	-	262,299	-	262,299	22,585	-	135,857	-	135,857	126,442
Audio Equipment	-	113,435	-	-	113,435	(113,435)	-	104	-	104	(104)	-	-
Broom - drawn	53,110	-	-	-	53,110	-	53,110	10,622	-	31,924	-	31,924	21,186
Bulk containers	160,726	-	-	-	160,726	-	160,726	4,634	-	152,405	-	152,405	8,321
Cabinets/cupboards	244,877	183,207	-	-	428,084	1,002,120	143,024	25,663	-	213,507	593,482	806,998	623,205
Canopy	3,365	-	-	-	3,365	(3,365)	-	3,365	-	3,365	(3,365)	-	-
Chairs	334,749	-	-	-	334,749	1,405,252	1,740,001	39,471	-	236,431	475,271	731,702	1,008,300
Cleaner - steam	17,427	-	-	-	17,427	-	17,427	1,111	-	16,316	-	16,316	1,111
Computer - desktop	15,566,042	1,921,863	-	103,350	17,491,255	17,491,255	17,491,255	1,463,377	-	12,121,876	-	12,121,876	5,369,379
Computer - laptop	659,658	-	-	-	659,658	(142,188)	517,470	3,300	-	158,177	(142,158)	14,312	5,833,653
Computer - plate	55,164	-	-	-	55,164	(29,893)	25,271	5,054	-	45,559	(29,893)	9,609	3,481
Computer software	5,027,619	98,139	-	-	5,125,758	(494,344)	4,631,414	605,124	-	4,196,539	(494,344)	4,196,539	1,275,790
Control system - co-driver	754,609	-	-	349,572	1,104,181	(494,344)	605,124	48,614	-	1,152,735	(494,344)	658,391	3,053
Conveyors	25,343	-	-	-	25,343	(25,343)	-	1,690	-	17,815	(17,815)	-	-
Drill - concrete	9,939	-	-	-	9,939	-	9,939	2,587	-	4,574	-	4,574	5,364
Equipment/apparatus - Clinic/H	-	37,576	-	-	37,576	(37,576)	-	-	-	-	-	-	-
Equipment/apparatus - Traffic	712,983	1,270,712	-	-	1,983,695	(1,470,349)	513,346	82,742	-	391,871	(237,212)	154,659	358,688
Electrical equipment	9,042,010	56,818	-	5,421,629	14,620,456	1,662,217	16,182,673	1,816,594	-	3,252,189	(30,049)	3,222,140	12,960,533
Laboratory equipment	385,437	-	-	-	385,437	(33,193)	352,245	70,121	-	144,088	(33,379)	110,709	241,536
Milling equipment	74,913	464,166	-	-	539,079	(539,079)	-	4,994	-	64,966	(64,966)	-	-
Radio equipment	2,052,054	63,669	-	-	2,115,723	(1,322,748)	792,975	472,165	-	1,390,808	(1,390,808)	-	-
Radio equipment - mobile	3,062,004	-	-	-	3,062,004	(6,380)	3,055,624	19,865	-	3,017,732	(3,017,732)	-	-
Freeliner	63,819	246,717	-	-	310,536	(251,311)	59,225	4,255	-	27,420	(3,984)	33,788	35,788
Fire equipment	1,620,646	171,413	-	239,387	2,031,446	(1,725,655)	305,791	88,405	-	762,361	(484,205)	278,156	27,635
Generator	416,625	626,482	-	-	1,043,107	(455,049)	588,058	1,022	-	1,022	-	1,022	170,391
General plant	2,805,407	87,418	-	-	2,892,825	-	2,892,825	74,312	-	347,130	(172,789)	1,714,342	695,957
Household refuse bins	2,161,204	3,500,087	-	-	5,661,291	(3,473,771)	2,187,520	16,237	-	2,777,980	(64,412)	2,713,568	114,846
Housing schemes	100,030,399	26,316	-	3,867,277	103,923,992	(103,923,992)	-	429,204	-	6,068,890	(6,068,890)	676,650	1,510,870
Hoist - refuse bins	306,445	-	-	-	306,445	(46,401)	260,044	813	-	132,529	(46,401)	-	-
Irrigation systems	343,284	-	-	205,476	548,760	-	548,760	29,228	-	45,272	-	45,272	503,488
Emergency light	48,535	1,105,555	-	-	1,154,090	-	1,154,090	48,535	-	532,056	(532,056)	-	-
Loader - front-end	532,056	-	-	-	532,056	(1,637,611)	-	721,312	-	2,169,667	(1,637,611)	1,207,189	3,223,821
Machinery	5,762,225	26,220	-	257,217	6,045,662	(1,306,018)	4,739,644	26,220	-	2,362,220	(56,222)	387	506
Machinery - excavator	2,165,285	455,558	-	80,809	2,701,652	(2,700,759)	893	72,557	-	290,883	(290,498)	387	506
Office buildings	3,890,974	52,984	-	-	3,943,958	(8,988,492)	12,332,430	183,656	-	3,725,004	104	3,725,107	8,607,322
Office machines	189,692,184	-	-	-	189,692,184	(189,692,184)	-	-	-	-	-	-	-
Other land	328,727	-	-	-	328,727	-	328,727	-	-	5,337,362	-	5,337,362	201,467
Plant and equipment	1,185,834	567,913	-	-	1,753,747	(329,727)	1,424,020	97,059	-	893,454	(893,454)	-	-
Pumps	1,096,324	12,434	-	45,510	1,154,268	(1,154,268)	-	215,533	-	472,412	(28,744)	443,668	1,237,335
Roller - pavement	314,461	-	-	-	314,461	(314,461)	-	35,030	-	233,424	(942,568)	1,175,992	1,482,756
Tables/desks	817,911	-	-	-	817,911	-	817,911	54,527	-	647,786	-	2,468,020	36,681
Tipper	644,566	97,339	-	-	741,905	(130,347)	611,558	21,407	-	89,343	(89,343)	86,969	43,378
Telecommunication equipment	753,636	-	-	-	753,636	(753,636)	-	21,407	-	732,466	(732,466)	-	-
Trucks	124,099	-	-	-	124,099	(83,477)	40,622	3,653	-	120,486	(82,477)	37,989	5,633
Vacant land	269,115,568	-	-	-	269,115,568	(269,115,568)	-	-	-	-	-	-	-
Vehicles	6,852,225	-	-	-	6,852,225	-	6,852,225	722,559	-	5,426,167	-	6,179,871	1,724,851
Compressors	25,415	-	-	-	25,415	(25,415)	-	19,407	-	170,065	(170,065)	-	-
Compactor truck - refuse	4,707,593	1,863,847	-	-	6,571,440	(1,757,634)	4,813,806	614,802	-	2,656,515	(1,757,634)	5,993	3,914,922
Motor cycles	80,756	-	-	-	80,756	(80,756)	-	167,735	-	860,830	(860,830)	-	-
Fire engines	3,455,908	906,184	-	-	4,362,092	(4,362,092)	-	175,630	-	175,630	(175,630)	-	-
Farm equipment	175,630	-	-	-	175,630	(175,630)	-	-	-	130,000	(130,000)	-	-
Graders	130,000	-	-	-	130,000	(130,000)	-	-	-	130,000	(130,000)	-	-
Lawnmowers	1,271,895	-	-	-	1,271,895	(526,040)	745,855	171,128	-	2,271,895	(526,039)	745,855	(1)
Vehicle monitoring system	313,428	-	-	-	313,428	(313,428)	-	62,582	-	275,325	(275,325)	-	-
Roller - mechanically driven	31,200	-	-	-	31,200	-	31,200	62,582	-	41,200	-	91,200	-
Board vans	291,869	-	-	-	291,869	(348,149)	46,272	32,212	-	259,933	(148,793)	130,907	32,036
Roller - motor	782,008	-	-	-	782,008	(782,008)	-	782,008	-	782,008	(782,008)	-	-
Street sweeper - mech driven	17,179,345	1,979,587	-	-	19,158,932	(9,351,390)	28,510,322	11,907,641	-	14,075,821	(782,008)	129,026	32,036
Trucks/bakkies	509,893	-	-	-	509,893	(509,893)	-	12,249	-	473,213	(473,213)	-	-
Tractors	32,781	-	-	-	32,781	(32,781)	-	1,093	-	20,779	(20,779)	-	-
Workshop/Depots	42,990,907	-	-	743,649	43,734,556	-	43,734,556	2,986,347	-	37,022,302	-	37,022,302	6,312,254
Town planning	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation roll	-	-	-	-	-	-	-	-	-	-	-	-	-
	701,980,747	15,990,063	-	11,313,675	729,282,865	(556,440,762)	172,851,933	13,066,579	-	112,547,405	(7,365,885)	105,181,521	67,670,412

STELLENBOSCH MUNICIPALITY  
APPENDIX B  
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT  
30 JUNE 2009

	Fair Value / Revaluation					30 JUNE 2009					
	Opening balance	Additions	Disposals	Under Construction	Unbundling/ Balance before unbundling	Closing Balance	Opening Balance	Depreciation	Disposals	Unbundling/ Balance before unbundling	Closing Balance
Non current assets held for sale	-	529,000	-	-	529,000	529,000	-	-	-	-	529,000
Total	1,486,689,285	34,024,015	-	55,889,698	1,576,602,998	3,339,705,491	514,930,786	42,118,854	-	557,049,640	2,986,649,430

ANALYSIS OF INTANGIBLE ASSETS  
30 JUNE 2009

	Cost / Revaluation										31 December 2002		Carrying Value
	Opening Balance	Additions	Disposals	Under Construction	Balance before unbundling	Unbundling/ Valuation of assets	Closing Balance	Opening Balance	Depreciation	Disposals	Balance before unbundling	Unbundling/ Valuation of assets	
Intangible assets													
Software and programmes	5,027,619	98,139	-	349,572	5,475,329	-	5,475,329	3,594,415	605,124	-	4,199,539	-	4,199,539
Valuation roll	5,027,619	98,139	-	349,572	5,475,329	-	5,475,329	3,594,415	605,124	-	4,199,539	-	4,199,539
Total	1,481,661,666	33,925,976	-	55,540,127	1,571,127,668	1,763,102,494	3,334,230,162	518,525,201	42,723,978	-	561,249,179	(217,224,677)	2,980,205,660

**APPENDIX C (BEFORE UNBUNDLING OF ASSETS): COMPLIANCE TO GRAP 17.53**  
**STELLENBOSCH MUNICIPALITY**

**SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009**

Description	Cost / Revaluation		Accumulated Depreciation			Accumulated Depreciation / Impairment			Carrying Value
	Opening Balance	Additions	Under Construction	Closing Balance	Opening Balance	Additions	Closing Balance	Closing Balance	
	R	R	R	R	R	R	R	R	R
<b>Executive and Council</b>	<b>19,958,967</b>	<b>10,569,299</b>	-	<b>30,528,266</b>	<b>12,359,658</b>	<b>922,983</b>	<b>13,282,641</b>	<b>13,282,641</b>	<b>17,245,625</b>
Executive & Council	-	-	-	-	-	-	-	-	-
Municipal Manager	1,142,439	9,192,673	-	10,335,112	882,589	71,615	954,204	954,204	9,380,908
Council General	17,309,135	-	-	17,309,135	10,987,643	645,036	11,632,679	11,632,679	5,676,456
Integrated Development Plan	811,711	-	-	811,711	308,604	95,296	403,900	403,900	407,811
Strategic Services General	695,682	1,329,662	-	2,025,344	180,823	111,031	291,854	291,854	1,733,490
LED Centres	-	-	-	-	-	-	-	-	-
Commissioners	-	-	-	-	-	-	-	-	-
Mayoral Support	-	-	-	-	-	-	-	-	-
Speaker	-	46,964	-	46,964	-	-	-	-	-
Soccer World Cup	40,934,845	3,846,690	-	44,781,535	19,497,501	2,628,938	22,126,439	22,126,439	46,960
Finance and Administration	10,617,642	1,029,779	-	11,647,421	9,285,940	480,533	9,766,474	9,766,474	22,655,096
Finance & Administration	925,187	-	-	925,187	157,342	30,864	188,206	188,206	1,880,947
Stores	6,250,904	1,853,390	-	8,104,293	1,339,195	1,230,027	2,569,222	2,569,222	736,981
IT Section	948,162	372,455	-	1,320,618	77,655	141,050	218,705	218,705	5,535,071
Personnel Services	8,808,248	200,032	-	9,008,280	1,802,036	166,518	1,968,554	1,968,554	1,101,913
Corporate Services General	172,024	391,034	-	563,057	5,549	8,941	14,490	14,490	7,039,725
Liaison Services	167,402	-	-	167,402	167,402	-	167,402	167,402	548,568
Printing Section	8,756,691	-	-	8,756,691	4,391,305	424,557	4,815,862	4,815,862	3,940,829
Administration Stellenbosch	4,288,586	-	-	4,288,586	2,271,077	146,447	2,417,524	2,417,524	1,871,062
Administration Franschhoek	-	-	-	-	-	-	-	-	-
Credit Control	-	-	-	-	-	-	-	-	-
Cash Collection	-	-	-	-	-	-	-	-	-
Rates & Taxes	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Direct Purchasing	-	-	-	-	-	-	-	-	-
Data Capturing	-	-	-	-	-	-	-	-	-
<b>Planning and Development</b>	<b>112,980,449</b>	<b>333,898</b>	-	<b>113,314,347</b>	<b>53,165,745</b>	<b>4,666,074</b>	<b>57,831,819</b>	<b>57,831,819</b>	<b>55,482,528</b>
Planning & Development	12,496,300	333,898	-	12,830,198	2,792,816	980,577	3,773,393	3,773,393	9,056,805
Town Planning	10,739,854	-	-	10,739,854	8,183,476	471,214	8,654,690	8,654,690	2,085,164
Town Development	89,500,198	-	-	89,500,198	42,087,477	3,191,389	45,278,867	45,278,867	44,221,331
Building Control	244,097	-	-	244,097	101,976	22,894	124,870	124,870	119,228
Technical Engineering Services	-	-	-	-	-	-	-	-	-
Research, Design & Contracts	-	-	-	-	-	-	-	-	-
Project Management Unit	-	-	-	-	-	-	-	-	-
Physical Development & Public Work	-	-	-	-	-	-	-	-	-
Urban & Rural Development	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
<b>Health</b>	<b>9,014,051</b>	<b>480,381</b>	-	<b>9,494,432</b>	<b>2,808,748</b>	<b>287,341</b>	<b>3,076,089</b>	<b>3,076,089</b>	<b>6,418,343</b>
Health General	486,859	-	-	486,859	415,878	6,325	422,204	422,204	64,656
Aan-het-pad Clinic	198,715	-	-	198,715	69,107	5,104	74,211	74,211	124,504
Polif Clinic	297,504	-	-	297,504	133,215	8,221	141,435	141,435	156,069
Kayamandi Clinic	942,118	-	-	942,118	198,268	29,507	227,775	227,775	714,343
Victoria Street Clinic	604,110	-	-	604,110	323,456	30,696	354,152	354,152	249,958
Kylemore Clinic	594,045	-	-	594,045	195,186	19,801	214,988	214,988	379,057
Klapmuts Clinic	1,142,020	-	-	1,142,020	226,150	35,475	261,624	261,624	880,395
Don & Pat Bliton Clinic	812,885	-	-	812,885	294,382	24,411	318,793	318,793	494,093
Groendal Clinic	978,035	-	-	978,035	28,940	13,565	28,940	28,940	935,530
Stellenbosch Cemetery	2,748,390	480,381	-	3,228,771	853,798	88,440	942,238	942,238	2,286,533
Pniel Cemetery	25,936	-	-	25,936	2,598	865	3,463	3,463	22,473
Franschhoek Cemetery	183,433	-	-	183,433	67,770	4,932	72,702	72,702	110,731

## APPENDIX C (REPEATING BINDING OF ASSETS): COMPLIANCE TO GRAP 17 53

Description	Cost / Revaluation			Accumulated Depreciation			Accumulated Depreciation / Impairment			
	Opening Balance	Additions	Under Construction	Closing Balance	Opening Balance	Additions	Closing Balance	Opening Balance	Additions	Closing Balance
Community and Social Services	R	R	R	R	R	R	R	R	R	R
Director Community	4,679,503	429,896	-	5,109,400	1,494,251	232,858	1,727,109	1,494,251	232,858	1,727,109
Director Social Services	240,204	64,725	-	304,928	123,755	41,939	165,694	123,755	41,939	165,694
Rhenish Complex	1,722,872	6,816	-	1,729,689	94,155	83,005	177,160	94,155	83,005	177,160
Voorgelegen	166,105	-	-	166,105	48,679	5,537	54,216	48,679	5,537	54,216
Plein Street Library	377,468	-	-	377,468	218,354	12,582	230,936	218,354	12,582	230,936
Idas Valley Library	782,486	159,593	-	942,079	336,284	30,853	367,138	336,284	30,853	367,138
Cloetesville Library	406,025	61,419	-	467,443	291,331	9,348	300,679	291,331	9,348	300,679
Kayamandi Library	324,973	-	-	324,973	120,649	12,919	133,567	120,649	12,919	133,567
Pniel Library	65,294	29,164	-	94,458	17,259	3,998	21,257	17,259	3,998	21,257
Franschoek Library	87,950	-	-	87,950	44,663	3,334	47,997	44,663	3,334	47,997
Social & Human Development	506,125	-	-	506,125	199,121	28,377	227,498	199,121	28,377	227,498
Special Fund: Dilbeek	-	44,480	-	44,480	-	24	24	-	24	24
		63,699	-	63,699	-	942	942	-	942	942
Housing	110,798,183	12,795,603	10,808,931	134,402,716	14,300,144	4,331,393	18,631,536	14,300,144	4,331,393	18,631,536
Flats	1,741,990	-	-	1,741,990	514,323	57,945	572,268	514,323	57,945	572,268
Economic Schemes	33,888	-	-	33,888	9,410	1,130	10,539	9,410	1,130	10,539
Housing General	98,151,149	5,614,643	10,808,931	114,574,722	8,808,844	3,776,601	12,585,444	8,808,844	3,776,601	12,585,444
Rented Buildings	10,871,155	-	-	10,871,155	4,967,567	486,646	5,454,213	4,967,567	486,646	5,454,213
Housing Special Projects	-	7,180,960	-	7,180,960	-	9,072	9,072	-	9,072	9,072
Public Safety	32,804,785	3,955,150	-	36,759,934	12,426,378	2,260,633	14,687,011	12,426,378	2,260,633	14,687,011
Director Public Safety	544,084	156,103	-	700,188	3,362	104,468	107,831	3,362	104,468	107,831
Fire Services	11,031,690	1,400,116	-	12,431,806	3,600,592	463,808	4,064,400	3,600,592	463,808	4,064,400
Shared Services	98,831	-	-	98,831	95,781	1,529	97,310	95,781	1,529	97,310
Security	5,571,464	1,024,121	-	6,595,585	3,053,191	899,706	3,952,897	3,053,191	899,706	3,952,897
Occupational Safety	52,258	-	-	52,258	31,412	10,452	41,863	31,412	10,452	41,863
Town Hall Plein Street	1,015,581	8,970	-	1,024,551	643,768	50,666	694,434	643,768	50,666	694,434
Elkestad Hall	929,843	-	-	929,843	326,187	36,326	362,513	326,187	36,326	362,513
Community Centre Kayamandi	315,216	-	-	315,216	11,946	11,946	44,766	32,820	11,946	44,766
Community Hall Pniel	995,825	-	-	995,825	165,551	36,655	202,206	165,551	36,655	202,206
Community Centre Groendal	1,292,960	-	-	1,292,960	234,344	43,099	277,443	234,344	43,099	277,443
Town Hall Franschoek	519,743	-	-	519,743	17,325	17,325	135,218	117,893	17,325	135,218
Community Centre	51,150	-	-	51,150	20,516	10,230	30,746	20,516	10,230	30,746
Licensing	5,530,583	-	-	5,530,583	3,588,728	192,013	3,780,741	3,588,728	192,013	3,780,741
Traffic Control	3,698,984	1,365,838	-	5,064,823	315,027	365,603	680,630	315,027	365,603	680,630
Parking Areas	1,156,572	-	-	1,156,572	197,205	16,808	214,013	197,205	16,808	214,013
Sport and Recreation	47,644,882	4,289,636	-	51,934,518	16,628,445	2,358,253	18,986,698	16,628,445	2,358,253	18,986,698
Environment & Recreation	1,362,097	505,458	-	1,867,555	369,959	301,243	671,202	369,959	301,243	671,202
Workshop	725,203	-	-	725,203	581,925	9,663	591,588	581,925	9,663	591,588
Parks Stellenbosch	14,131,568	1,922,597	-	16,054,166	5,615,820	626,696	6,242,515	5,615,820	626,696	6,242,515
Parks Franschoek	2,428,888	-	-	2,428,888	1,156,433	76,024	1,232,457	1,156,433	76,024	1,232,457
Street Trees	190,029	241,871	-	431,900	168,178	3,451	171,629	168,178	3,451	171,629
Street Beautification	1,635,584	-	-	1,635,584	484,654	46,334	530,988	484,654	46,334	530,988
Nursery	677,823	-	-	677,823	205,999	38,397	244,396	205,999	38,397	244,396
Commonage & Plantations	424,701	-	-	424,701	292,600	8,421	301,021	292,600	8,421	301,021
Jonkershoek Picnic Site	60,030	-	-	60,030	35,821	2,001	37,822	35,821	2,001	37,822
Van der Stel Sport	1,853,724	87,392	-	1,941,116	697,762	60,702	758,464	697,762	60,702	758,464
Idas Valley Sport	945,013	138,046	-	1,083,060	346,462	42,384	388,846	346,462	42,384	388,846
Cloetesville Sport	890,507	67,429	-	957,936	354,772	44,511	399,284	354,772	44,511	399,284
Swimming Pool Cloetesville	760,951	-	-	760,951	240,293	33,678	273,971	240,293	33,678	273,971
Kayamandi Sport	9,750,164	375,260	-	10,125,424	1,521,875	494,533	2,016,408	1,521,875	494,533	2,016,408
Kylmore Sport	1,811,803	273,659	-	2,085,462	388,664	86,866	475,530	388,664	86,866	475,530
Klamports Sport	1,521,618	-	-	1,521,618	540,530	70,554	611,084	540,530	70,554	611,084
Jamestown Sport	2,120,402	677,924	-	2,798,326	764,100	95,265	859,365	764,100	95,265	859,365
Pniel Sport	3,863,416	-	-	3,863,416	2,300,667	188,449	2,489,116	2,300,667	188,449	2,489,116
Groendal Sport	700,545	-	-	700,545	63,499	28,988	92,486	63,499	28,988	92,486

**APPENDIX C (BEFORE UNBUNDLING OF ASSETS): COMPLIANCE TO GRAP 17.53**

**STELLENBOSCH MUNICIPALITY**

**SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009**

Description	Cost / Revaluation		Accumulated Depreciation			Accumulated Depreciation / Impairment			Carrying Value
	Opening Balance	Additions	Under Construction	Closing Balance	Opening Balance	Additions	Closing Balance	Closing Balance	
	R	R	R	R	R	R	R	R	R
Railthy Sport	1,790,816	-	-	1,790,816	498,431	100,095	598,526	598,526	1,192,290
<b>Environmental Protection</b>									
Market	105,436,866	10,046,674	2,227,302	117,710,842	49,584,697	5,696,460	55,281,158	55,281,158	62,429,685
Refuse Removal	1,291,838	-	-	1,291,838	213,869	11,744	225,614	225,614	1,066,225
Dumping Site	13,741,259	2,858,995	-	16,600,253	6,340,244	1,380,271	7,720,515	7,720,515	8,879,738
Klappnats Transfer Station	2,426,109	-	-	2,426,109	1,302,511	95,271	1,397,782	1,397,782	1,028,327
Cleaning of Streets	27,820	-	-	27,820	955	927	1,883	927	25,937
Public Facilities	217,544	26,316	-	243,860	119	43,523	43,642	43,642	200,217
Sewerage Purification Stellenbosch	3,246,904	-	-	3,246,904	558,538	107,430	665,969	665,969	2,580,935
Sewer Network	30,013,942	1,665	-	30,015,607	15,814,852	1,403,459	17,218,312	17,218,312	12,797,295
Compositing	51,389,016	7,159,699	2,227,302	60,776,017	23,935,264	2,520,677	26,455,941	26,455,941	34,320,076
Sewerage Purification Franschoek	1,647,272	-	-	1,647,272	993,545	58,906	1,052,451	1,052,451	594,821
Sewerage Purification Pniel	1,424,062	-	-	1,424,062	420,348	72,030	492,378	492,378	931,684
	11,100	-	-	11,100	4,452	2,220	6,672	6,672	4,428
<b>Roads and Transport</b>									
Municipal Buildings	733,866,262	23,246,101	2,069,783	759,182,146	221,215,804	9,246,962	230,462,765	230,462,765	528,719,381
Engineering Services General	616,122,299	4,584,168	-	620,706,467	164,874,357	528,745	165,403,102	165,403,102	455,303,365
Workshop	9,559,461	74,064	-	9,633,525	3,752,057	1,626,159	5,378,216	5,378,216	4,255,309
Roads	76,878	-	-	76,878	76,878	-	76,878	76,878	-
Sidewalks	95,444,294	17,855,798	2,069,783	115,369,866	48,325,959	6,294,315	54,620,273	54,620,273	60,749,592
Stormwater	1,463,001	118,543	-	1,581,544	388,075	88,438	476,513	476,513	1,105,032
	11,200,329	613,537	-	11,813,866	3,798,477	709,305	4,507,782	4,507,782	7,306,084
<b>Water</b>									
Water Network	116,771,322	3,599,181	1,387,870	121,758,373	69,708,604	4,766,957	74,475,561	74,475,561	47,282,812
Reservoirs & Supply Lines	98,614,397	2,990,266	606,833	102,211,496	63,410,388	3,868,614	67,279,002	67,279,002	34,932,494
Purification Idas Valley	13,993,394	277,430	781,036	15,051,860	5,074,024	683,695	5,757,718	5,757,718	9,294,142
Purification Paradyksloof	2,803,044	-	-	2,803,044	987,307	143,949	1,131,256	1,131,256	1,671,788
Purification Franschoek	822,447	282,395	-	1,104,842	176,588	36,907	213,494	213,494	891,347
	538,041	49,090	-	587,131	60,297	33,793	94,090	94,090	493,041
<b>Electricity</b>									
Electricity	151,799,168	15,792,205	478,372	168,069,746	41,740,488	8,074,351	49,814,839	49,814,839	118,254,907
Electrical Administration	151,799,168	15,792,205	478,372	168,069,746	41,740,488	8,074,351	49,814,839	49,814,839	118,254,907
Electrical Network	-	-	-	-	-	-	-	-	-
Electrical Cliental Services	-	-	-	-	-	-	-	-	-
<b>Other</b>									
Other	-	-	-	-	-	-	-	-	-
Fresh Produce Market	-	-	-	-	-	-	-	-	-
<b>Total</b>									
	1,486,689,285	89,384,713	16,972,258	1,593,046,256	514,930,464	45,453,201	560,383,665	560,383,665	1,032,662,591

**APPENDIX D  
STELLENBOSCH MUNICIPALITY**

**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009**

2008 Actual Income	2008 Actual Expenditure	2008 Surplus/ (Deficit)	Description	2009 Actual Income	2009 Budgeted Income	2009 Actual Expenditure	2009 Budgeted Expenditure	2009 Surplus/ (Deficit)
R	R	R		R	R	R	R	R
14,220	16,806,927	(16,792,707)	<b>MUNICIPAL MANAGER</b>	93,234	180	18,392,994	19,887,669	(18,299,761)
0	5,187,630	(5,187,630)	Municipal Manager	-	-	3,515,956	6,912,400	(3,515,956)
0	702	(702)	Deputy Municipal Manager	-	-	-	-	-
0	1,710,161	(1,710,161)	Internal Audit	-	-	-	-	-
0	0	-	Soccer World Cup 2010	-	-	2,212,635	1,966,684	(2,212,635)
0	3,454,850	(3,454,850)	Legal Services	-	-	17,071	49,360	(17,071)
0	695,601	(695,601)	Liaison Services	-	-	5,129,173	4,957,810	(5,129,173)
14,220	922,884	(908,664)	IDP & Strategic Programs	-	-	1,328,162	1,445,461	(1,328,162)
0	2,574,212	(2,574,212)	Strategic Services: General	-	-	540,804	189,471	(540,804)
0	2,260,886	(2,260,886)	Local Economic Development	-	180	2,266,231	595,182	(2,266,231)
0	-	-	Kayamandi Economic Tourism Corridor	93,234	-	2,340,726	2,551,606	(2,340,726)
19,473,525	24,568,974	(5,095,449)	<b>PLANNING &amp; DEVELOPMENT SERVICES</b>	13,478,213	4,213,218	39,286,036	14,038,282	(25,807,823)
0	4,013,530	(4,013,530)	Planning and Environment	-	180	3,582,251	627,927	(3,582,251)
2,870,166	4,091,892	(1,221,726)	Building Control	3,381,247	3,413,270	4,426,951	4,017,261	(1,045,704)
153,176	4,394,279	(4,241,103)	Town Planning	206,306	145,290	4,569,083	4,542,811	(4,362,777)
0	3,214,400	(3,214,400)	Town Development	-	-	3,197,321	397,385	(3,197,321)
16,500	16,500	-	Growth Management Strategy	190,180	606,788	190,180	606,788	-
16,433,683	6,427,296	10,006,386	Director: Integrated Human Settlements	9,700,479	47,690	19,659,016	1,724,598	(9,958,536)
0	900,462	(900,462)	New Housing	-	-	1,368,603	1,583,143	(1,368,603)
0	1,450,000	(1,450,000)	Housing Special Projects	-	-	2,292,507	538,369	(2,292,507)
0	60,613	(60,613)	Project Management Unit	-	-	125	-	(125)
7,752,682	43,899,590	(36,146,908)	<b>SOCIAL DEVELOPMENT SERVICES</b>	13,352,155	19,083,673	45,893,705	41,264,016	(32,541,550)
0	148,358	(148,358)	Community Services General	-	180	75,592	27,279	(75,592)
0	2,113,846	(2,113,846)	Social Services Director	-	-	2,232,848	1,650,518	(2,232,848)
0	330,237	(330,237)	Social and Human Development	-	-	585,660	847,189	(585,660)
0	31,470	(31,470)	Stellenbosch Youth Council	-	-	21,620	35,000	(21,620)
0	1,192,163	(1,192,163)	Forestry, Parks & Recreation	-	-	1,828,164	1,443,587	(1,828,164)
0	411,554	(411,554)	Workshop	-	-	995,826	297,698	(995,826)
5,245	8,212,126	(8,206,881)	Parks & Sidewalks Stellenbosch	15,005	1,425,950	6,750,724	6,599,889	(6,735,719)
0	2,065,702	(2,065,702)	Parks & Sidewalks Franschhoek	-	334,480	1,600,190	1,476,873	(1,600,190)
0	1,774,381	(1,774,381)	Street Trees	-	-	1,487,060	1,431,633	(1,487,060)
0	1,570,507	(1,570,507)	Street Beautification	-	-	1,349,661	1,436,488	(1,349,661)
0	543,587	(543,587)	Nursery	-	-	471,330	682,085	(471,330)
1,936,076	2,024,934	(88,857)	Commonage & Plantations	3,704,131	4,240,090	4,478,460	1,511,684	(774,329)
2,060	558,363	(556,303)	Jan Marais Nature Reserve	2,371	1,440	410,450	380,576	(408,079)
98,721	207,101	(108,380)	Jonkershoek Picnic Site	146,417	37,070	138,445	222,510	7,972
0	500	(500)	Dwaarsrivier Picnic Site	-	-	1,195	2,630	(1,195)
47,058	1,661,953	(1,614,895)	Van der Stel Sport	87,953	-	1,835,059	908,948	(1,747,106)
975	747,526	(746,552)	Idas Valley Sport	562	-	511,197	386,458	(510,635)
29,875	710,716	(680,842)	Cloeteville Sport	562	9,540	489,147	287,954	(488,586)
0	16,450	(16,450)	Golf Club	-	-	18,095	18,095	(18,095)
19,993	648,791	(628,798)	Swimming Pool Cloeteville	25,075	19,970	834,425	526,516	(809,349)



**APPENDIX D**  
**STELLENBOSCH MUNICIPALITY**  
**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009**

2008 Actual Income R	2008 Actual Expenditure R	2008 Surplus/ (Deficit) R	Description	2009 Actual Income R	2009 Budgeted Income R	2009 Actual Expenditure R	2009 Budgeted Expenditure R	2009 Surplus/ (Deficit) R
975	782,461	(781,486)	Kayamandi Sport	562	-	630,337	227,667	(629,776)
23,529	288,585	(265,056)	Kylemore Sport	562	-	262,931	105,146	(262,370)
0	317,009	(317,009)	Klapmuts Sport	-	-	252,211	128,562	(252,211)
0	283,906	(283,906)	Jamestown Sport	630,646	-	265,075	154,955	365,571
1,005	1,182,207	(1,181,202)	Pniel Sport	562	-	1,043,542	499,481	(1,042,981)
5,450	219,105	(213,655)	Groendal Sport	737	-	225,409	177,724	(224,672)
975	414,680	(413,705)	Raithby Sport	562	-	273,827	233,169	(273,266)
109,089	117,102	(8,012)	Health General	500	-	6,325	-	(5,825)
65,900	111,137	(45,237)	Aan-het-pad Clinic	486	-	5,164	-	(4,678)
45,798	79,821	(34,023)	Poli Clinic	-	-	8,221	-	(8,221)
65,235	125,426	(60,191)	Kayamandi Clinic	309	-	29,545	-	(29,236)
89,957	169,091	(79,134)	Victoria Street Clinic	1,004	-	32,943	2,124	(31,940)
0	0	-	Family Planning	-	-	-	-	-
14,449	34,670	(20,222)	Kylemore Clinic	-	-	19,801	-	(19,801)
33,847	77,122	(43,276)	Klapmuts Clinic	-	-	35,612	1	(35,612)
20,313	46,851	(26,538)	Don & Pat Bilton Clinic	-	-	24,870	459	(24,870)
3,766	6,189	(2,423)	Aids Clinic	-	-	636	636	(636)
0	0	-	TB Clinic	-	-	-	-	-
60,539	30,734	29,806	Groendal Clinic	-	-	32,008	737	(32,008)
0	5,021	(5,021)	Pest Control	-	-	3,528	33,646	(3,528)
563,981	1,466,430	(902,449)	Stellenbosch Cemetery	529,914	576,980	1,568,203	845,803	(1,038,289)
0	106,464	(106,464)	Pniel Cemetery	-	2,870	79,090	112,047	(79,090)
105,543	307,386	(201,843)	Franschoek Cemetery	87,221	59,570	346,588	262,582	(259,368)
0	220,248	(220,248)	Rhenish Complex	-	150	198,095	228,727	(198,095)
13,140	119,989	(106,848)	Voorgelegen	13,476	1,060,560	197,877	128,473	(184,400)
13,586	2,111,277	(2,097,691)	Plein Street Library	14,882	29,460	2,326,857	2,394,567	(2,311,975)
18,814	588,615	(569,801)	Idas Valley Library	21,813	21,800	669,904	686,527	(648,091)
16,845	602,547	(585,701)	Cloeterville Library	21,112	18,760	642,256	685,445	(621,144)
12,319	551,179	(538,860)	Kayamandi Library	13,056	16,300	442,275	660,119	(429,219)
4,356	367,152	(362,795)	Pniel Library	5,074	5,880	465,830	499,847	(460,756)
15,091	535,924	(520,832)	Franschoek Library	18,180	17,430	638,358	576,895	(620,178)
329,015	329,015	(3,352,822)	Special Fund: Library Services	474,117.33	574,000.00	537,616.83	574,000.00	(63,499)
2,310,688	5,663,510	-	Housing Administration	2,594,022	4,276,620	6,449,907	5,516,494	(3,855,885)
9,657	9,657	-	Clean-up Operations	-	-	-	-	-
85,252	85,252	-	Special Fund Dilbeek	88,517	90,160	25,760	90,160.00	62,757
639	639	-	Special Fund Housing Consumers	-	51,660	51,660	51,660	-
694,490	694,490	-	Maintenance: Scheme Houses	759,100	723,480	759,222	723,480	(122)
878,435	878,435	-	Housing Schemes	4,093,668	5,489,273	1,278,735	5,489,273	2,814,933
<b>272,993,524</b>	<b>269,094,713</b>	<b>3,898,810.47</b>	<b>TECHNICAL SERVICES</b>	<b>342,479,849</b>	<b>308,769,264</b>	<b>276,032,105</b>	<b>296,648,321</b>	<b>66,447,743</b>
0	1,373,586	(1,373,586)	Public Facilities	-	-	1,178,582	1,393,265	(1,178,582)
125,171	12,067	113,105	Market	165,688	125,000	11,744	1,200	153,944
0	3,448,984	(3,448,984)	Cleaning of Streets	26,316	-	5,089,937	5,591,220	(5,063,621)

**APPENDIX D**  
**STELLENBOSCH MUNICIPALITY**

**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009**

2008 Actual Income	2008 Actual Expenditure	2008 Surplus/ (Deficit)	Description	2009 Actual Income	2009 Budgeted Income	2009 Actual Expenditure	2009 Budgeted Expenditure	2009 Surplus/ (Deficit)
R	R	R		R	R	R	R	R
0	6,975,331	(6,975,331)	Civil Engineers General Services	-	180	5,964,119	4,973,082	(5,964,119)
6,856,429	12,924,811	(6,068,382)	Roads	11,639,124	2,355,100	13,753,767	9,469,643	(2,114,643)
0	1,994,847	(1,994,847)	Sidewalks & Cycle Paths	-	-	1,197,471	1,185,135	(1,197,471)
0	6,679,640	(6,679,640)	Stormwater	139,337	-	5,381,652	4,381,966	(5,242,315)
0	84,921	(84,921)	Workshop	-	-	160,829	118,913	(160,829)
159,440,811	99,183,795	60,257,015	Electrical Engineering Services	196,397,819	187,967,673	121,993,024	122,370,124	74,404,795
0	3,580,480	(3,580,480)	Electrical Engineering Client Services	-	-	24,360,088	3,570,797	(24,360,088)
0	38,783,175	(38,783,175)	Electrical Engineering System Operations	-	-	4,438,579	35,786,524	(4,438,579)
45,288,253	37,437,621	7,850,632	Water Network	63,565,016	52,593,178	31,966,023	35,861,211	31,598,993
5,894	6,335,187	(6,329,292)	Reservoirs & Supply Lines	277,430	-	6,238,935	5,843,792	(5,961,505)
0	3,228,180	(3,228,180)	Water Filtration Idas Valley	-	-	3,365,038	2,950,901	(3,365,038)
222,606	2,259,875	(2,037,269)	Water Filtration Paradyskloof	282,395	-	2,250,142	2,458,586	(1,967,747)
0	51,905	(51,905)	Reservoir & Filtration Franschhoek	-	-	66,603	35,110	(66,603)
21,515,026	17,687,265	3,827,761	Refuse Removal	27,597,869	26,592,014	14,906,213	20,840,459	12,691,656
450,416	1,804,464	(1,354,048)	Dumping Site	515,503	500,000	4,357,076	1,891,281	(3,841,574)
1,684	497,627	(495,943)	Klapmuts Transfer Station	1,218	248	2,144,781	1,263,007	(2,143,562)
35,631,338	11,859,597	23,771,741	Sewerage Purification Stellenbosch	38,916,157	38,373,643	12,535,204	26,081,149	26,380,954
3,388,783	9,893,248	(6,504,466)	Sewerage Network	2,936,172	184,965	11,172,851	7,326,067	(8,236,679)
66,113	719,220	(653,107)	Composting	19,805	77,263	986,949	672,494	(967,144)
0	182,983	(182,983)	Sewerage Purification Klapmuts	-	-	250,029	31,500	(250,029)
0	621,628	(621,628)	Sewerage Purification Franschhoek	-	-	711,477	685,818	(711,477)
0	1,126,883	(1,126,883)	Sewerage Purification Pniel	-	-	999,005	1,434,804	(999,005)
0	346,395	(346,395)	Sewerage Purification Rural	-	-	551,989	430,273	(551,989)
1,000	1,000	-	Special Fund Asset Val (Red)	-	-	-	-	-
<b>38,062,471</b>	<b>66,840,636</b>	<b>(28,778,165)</b>	<b>PUBLIC SAFETY</b>	<b>25,932,074</b>	<b>41,939,990</b>	<b>54,183,938</b>	<b>60,990,817</b>	<b>(28,251,864)</b>
0	3,066,727	(3,066,727)	Community Safety General	-	180	2,712,284	2,682,841	(2,712,284)
53,510	12,255,661	(12,202,151)	Fire Services	13,305	-	14,159,923	12,354,267	(14,146,618)
21,609,866	19,576,907	2,032,959	Traffic Services Licencing	6,412,328	22,616,240	3,119,467	20,422,555	3,292,862
14,058,716	22,152,168	(8,093,452)	Traffic Control	15,400,610	16,399,050	23,128,935	20,779,249	(7,728,325)
2,313,835	1,053,692	1,260,143	Parking Areas	4,105,331	2,411,660	3,478,857	862,756	626,474
0	1,006,337	(1,006,337)	Disaster Management	-	-	819,622	520,185	(819,622)
25,900	7,707,168	(7,681,268)	Security	500	940	6,242,560	2,864,423	(6,242,060)
643	21,975	(21,332)	Occupational Safety	-	11,920	22,290	4,541	(22,290)
0	0	-	Community Safety Projects: Contract Law	-	500,000	500,000	500,000	(500,000)
<b>3,778,231</b>	<b>57,824,944</b>	<b>(54,046,713)</b>	<b>CORPORATE SERVICES</b>	<b>1,402,948</b>	<b>4,499,861</b>	<b>51,553,387</b>	<b>45,783,518</b>	<b>(50,150,439)</b>
0	0	-	Client Services and Innovations	-	-	625,854	625,854	-
194,666	737,179	(542,513)	Town Hall Plain Street	229,871	400,000	938,832	857,553	(708,962)
19,060	311,303	(292,243)	Eikestad Hall	13,893	23,800	666,859	367,161	(652,966)
11,190	142,922	(131,732)	Community Centre Kayamandi	1,846	1,790	107,713	145,463	(105,867)
0	0	-	Administration Hall Kayamandi	-	10,000	1,620	1,750	(1,620)
4,868	47,178	(42,310)	Admin Buildings & Hall Pniel	4,738,46	11,920	51,055	14,253	(46,317)



**APPENDIX D**  
**STELLENBOSCH MUNICIPALITY**

**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009**

2008 Actual Income R	2008 Actual Expenditure R	2008 Surplus/ (Deficit) R	Description	2009 Actual Income R	2009 Budgeted Income R	2009 Actual Expenditure R	2009 Budgeted Expenditure R	2009 Surplus/ (Deficit) R
18,285	222,682	(204,396)	Community Centre Groendal	20,229	15,000	257,163	210,403	(236,934)
0	10,258	(10,258)	Community Hall Groendal	-	-	10,230	-10,230	(10,230)
12,331	47,252	(34,921)	Town Hall Franschhoek	31,048	29,780	43,298	65,774	(12,250)
			Community Hall : Kylemore	8,321	15,000	3,083	18,050	5,238
			Community Hall: LA Motte	2,895	15,000	4,984	19,050	(2,089)
			Community Hall: Wemmershoek	3,311	15,000	3,091	18,550	221
0	5,568,732	(5,568,732)	Municipal Buildings	-	-	6,240,877	6,607,458	(6,240,877)
0	2,677,074	(2,677,074)	Corporate Services General	-	-	3,755,894	2,746,458	(3,755,894)
0	5,632,180	(5,632,180)	Human Resources Services	-	-	5,020,202	3,299,933	(5,020,202)
20	3,604,215	(3,604,195)	Documentation and Land Management	-	320	2,292,851	960,872	(2,292,851)
0	1,956,838	(1,956,838)	Secretariate and Administration	-	-	2,137,816	2,552,531	(2,137,816)
0	474,538	(474,538)	Printing Section	-	-	205,229	-24,997	(205,229)
632,419	19,798,685	(19,166,266)	Council General Expenses	548,993	801,840	13,522,746	12,796,723	(12,973,754)
0	252,706	(252,706)	Council Deputy Mayor's office	-	-	270,799	270,411	(270,799)
3,000	4,415,217	(4,412,217)	Council Donations	-	-	4,331,376	4,289,530	(4,331,376)
0	212,616	(212,616)	Council Speaker's Office	-	-	169,781	219,622	(169,781)
0	1,120,160	(1,120,160)	Council Mayor's Office	-	-	1,280,955	1,650,559	(1,280,955)
0	1,400,813	(1,400,813)	Administration Stellenbosch	-	-	993,740	205,891	(993,740)
0	667,272	(667,272)	Administration Franschhoek	-	-	443,102	65,038	(443,102)
0	817,131	(817,131)	Strategic Support	-	-	1,615,814	3,528,118	(1,615,814)
0	4,825,601	(4,825,601)	Information Technology	-	-	4,096,773	1,141,289	(4,096,773)
2,075,820	2,075,820	-	Special Fund Leave Gratification	-	-	2,549,701	2,000,000	(2,549,701)
699,230	699,230	-	Special Fund LWGSETA Training	492,621	996,966	492,621	996,966	-
6,575	6,575	-	Special Fund Leuven Study Grant	10,229	23,485	10,229	23,485	-
100,766	100,766	0	Special Fund CDW Support Grant	34,953	120,000	34,953	120,000	-
<b>157,978,207</b>	<b>42,779,569</b>	<b>115,198,638</b>	<b>FINANCIAL SERVICES</b>	<b>177,493,524</b>	<b>164,916,626</b>	<b>79,402,060</b>	<b>64,810,189</b>	<b>98,091,464</b>
139,542,297	22,231,558	117,310,739	Financial Services General	154,055,415	138,723,696	55,610,932	38,189,975	98,444,483
4,079	946,023	(941,943)	Stores	4,951	5,970	6,635	373,144	(1,684)
0	62,898	(62,898)	Supply Chain Management Unit	34,450	-	60,103	60,110	(25,653)
17,527,465	17,527,465	-	Special Fund Masakhane	22,581,862	24,032,000	22,581,862	24,032,000	-
0	1,107,259	(1,107,259)	Special Fund Self-insurance	-	1,254,960	325,682	1,254,960	(325,682)
			Special Fund Municipal Systems Improvements	343,288	400,000	343,288	400,000	-
904,366	904,366	-	Special Fund Financial Management Grant	473,558	500,000	473,558	500,000	-
			Surplus /Deficit					-
0	-74,168,759	74,168,759	Less: Inter-departmental Charges					-
<b>500,052,860</b>	<b>447,646,594</b>	<b>52,406,266</b>	<b>Total</b>	<b>574,231,995</b>	<b>543,422,812</b>	<b>564,744,225</b>	<b>543,422,812</b>	<b>9,487,770</b>

APPENDIX E(1) STELLENBOSCH MUNICIPALITY					
ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2009			Explanation of Significant Variances greater than 10% versus Budget		
Description	2008/2009 Actual	2008/2009 Budget	2008/2009 Variance	2008/2009 Variance %	
<b>REVENUE</b>					
Property Rates	117,470,555	116,632,220	838,335	0.71	
Property Rates - Penalties imposed and collection charges	1,648,350	1,112,534	535,816	32.51	Increased amount of penalties imposed.
Service Charges	300,929,648	290,837,831	10,091,817	3.35	
Rental of Facilities and Equipment	8,689,349	12,731,857	(4,062,508)	(46.86)	upgrades and maintenance.
Interest Earned - External investments	30,243,234	19,671,010	10,572,224	34.96	Investment portfolio performed better than anticipated.
Interest Earned - Outstanding debtors	3,161,046	3,456,410	(295,364)	(9.34)	
Fines	15,931,046	18,185,056	(2,254,010)	(14.15)	Less fines issued than anticipated.
Licences and Permits	3,849,927	19,412,461	(15,562,534)	(404.23)	Increased administration fee not budgeted for.
Income for Agency Services	1,006,744	1,147,380	(140,636)	(13.97)	Performance linked to the amount of fines issued and paid.
Government Grants and Subsidies	50,289,596	26,905,893	23,383,703	46.50	Performance.
Other Income	31,145,826	33,330,160	(2,184,334)	(7.01)	
Public Contributions and Donations	9,886,674	-	9,886,674		
Other Gains on Continued Operations	-	-	-		
Gains on Disposal of Property, Plant and Equipment	-	-	-		
Profit on Sale of Land	-	-	-		
<b>Total Revenue</b>	<b>574,231,995</b>	<b>543,422,812</b>	<b>30,809,183</b>	<b>5.67</b>	
<b>EXPENDITURE</b>					
Employee Related Costs	167,828,964	182,080,168	(14,251,204)	(8.49)	
Remuneration of Councilors	9,168,769	5,918,046	3,250,723	35.45	
Collection Costs	161,345	156,000	5,345	3.31	
Depreciation	42,389,160	49,676,346	(7,287,186)	(17.19)	Depreciation costs realised lower than anticipated.
Repairs and Maintenance	33,202,057	26,892,097	6,309,960	19.00	Salary component of repairs and maintenance lower than anticipated.
Interest Paid	2,780,891	3,321,530	(540,639)	(19.44)	Interest paid calculated at lower interest rate (linked to prime rate)
Bulk Purchases	106,339,381	100,260,809	6,078,572	5.72	
Grants and Subsidies Paid	4,331,376	1,250,800	3,080,576	71.12	
General Expenses	135,518,443	151,911,575	(16,393,132)	(12.10)	
Contributions to/(transfers from) Provisions	42,755,199	21,955,441	20,799,758	48.65	Contributions to provisions in accordance with accounting standards.
<b>Total Expenditure</b>	<b>544,475,586</b>	<b>543,422,812</b>	<b>1,052,774</b>	<b>0.19</b>	
Gain / (loss) on sale of assets (Impairment loss) / Reversal of impairment loss					
Profit / (loss) on fair value adjustment	(2,410,450)				
Inventories: (Write-down) / reversal of write-down to net realisable value	(17,858,189)				
<b>NET SURPLUS / (DEFICIT) FOR THE YEAR</b>	<b>9,487,770</b>	<b>-</b>	<b>9,487,770</b>		

**APPENDIX E(2)**

**STELLENBOSCH MUNICIPALITY**

**ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2009**

Description	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009	2008/2009	Explanation of Significant Variances greater than 5% versus Budget
	Actual	Under Construction	Total Additions	Budget	Variance	Variance	
	R	R	R	R	R	%	
Executive and Council	10,569,299	-	10,569,299	9,332,049	1,237,250	13.26	Increased project costs
Finance and Administration	3,846,690	-	3,846,690	11,938,383	(8,091,694)	(67.78)	Actual expenditure realised lower than budgeted amount.
Planning and Development	333,898	-	333,898	2,050,918	(1,717,020)	(83.72)	Actual expenditure realised lower than budgeted amount.
Health	-	-	-	-	-	0.00	
Community and Social Services	910,277	-	910,277	996,750	(86,473)	(8.68)	Actual expenditure realised lower than budgeted amount.
Housing	12,795,603	10,808,931	23,604,533	30,959,580	(7,355,047)	(23.76)	Actual expenditure realised lower than budgeted amount.
Public Safety	3,955,150	-	3,955,150	3,464,216	490,934	14.17	Increased project costs
Sport and Recreation	4,289,636	-	4,289,636	4,494,575	(204,939)	(4.56)	
Environmental Protection	10,046,674	2,227,302	12,273,976	13,579,320	(1,305,344)	(9.61)	Actual expenditure realised lower than budgeted amount.
Roads and Transport	23,246,101	2,069,783	25,315,884	25,604,362	(288,478)	(1.13)	
Water	3,599,181	1,387,870	4,987,050	5,318,929	(331,879)	(6.24)	Actual expenditure realised lower than budgeted amount.
Electricity	15,792,205	478,372	16,270,578	18,872,046	(2,601,468)	(13.78)	Actual expenditure realised lower than budgeted amount.
Other	-	-	-	-	-		
<b>Total</b>	<b>89,384,714</b>	<b>16,972,258</b>	<b>106,356,971</b>	<b>126,611,128</b>	<b>(20,254,157)</b>	<b>(16.00)</b>	

**APPENDIX F**  
**STELLENBOSCH MUNICIPALITY**  
**DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

Grants and Subsidies Received		Name of Grant		Name of Organ of State or Municipal Entity		Quarterly Receipts				Quarterly Expenditure				Grants and Subsidies Delayed / Withheld				Reason for Delay / Withholding of Funds		Compliance to Revenue Act (*) See below	
						June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June			Yes / No
	Electrification Project	DME																		N/A	Yes
	MIG Projects	MIG																		N/A	Yes
	LGWSETA Training	LGWSETA																		N/A	Yes
	Equitable Share	Nat Treasury	7 374 767	2 000 000	3 216 000	3 451 000	3 000 000	2 118 993	217 462	1 875 650	1 821 031	993 161	5 753 519	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Yes
	FMG	Nat Treasury	250 000	5 531 075	700 233	11 126 852	7 276 849	1 212 841	1 505 693	12 586 479	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Yes
	DLGH	Province	2 888 198	4 990 231	2 098 733	1 321 947	100 480	153 725	106 337	4 020 359	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Yes
	Magazine subsidy	Province	368	90		1 555	368	90	-89 377	5 030 810	343 288	1 555	4 020 359	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Yes
	MSP & MSIG	Province	400 000							1 300	343 288	1 555	4 020 359	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Yes
	Sport & Recreation	Province								1 300	343 288	1 555	4 020 359	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Yes
	Masimbani	DWAF																			Yes
	Cleanest Town Award	Province																			Yes
	Dept of Transport (NMT)	Province																			Yes
Community development Workers	Province																			Yes	
Dept of Transport	Province																			Yes	
Library Services Grant	Province																			Yes	
Total Grants and Subsidies Received			0	13 104 897	12 784 890	10 951 954	21 765 214	0	15 931 785	8 681 710	5 298 617	25 142 232	0	0	0	0	0	0			

(\*) Did your municipality comply with the grant conditions in terms of "Grant Framework" in the latest Division of Revenue Act?

(\*) Did your municipality comply with the grant conditions in terms of "Grant Framework" in the latest Division of Revenue Act?

## APPENDIX G

30 June 2009

Deviations from, and ratification of, minor breaches of procurement process ( Paragraph 36 of Supply Chain Management Policy )					
Date of Adjudication	Supplier	Contract/ Order Amount	Account Number	Short Description of Goods/ Services Procured	Reason for deviation
<b>Emergency Expenditure</b>					
11 - 02 - 2009	PG Glass	103.57	1/6220/2060	Replacement of broken glass - 35 Mark Street	Regulation 36 (1)(a)(i)
04 - 02 - 2009	Deon Simmers	4,500.00	1/6220/2060	Repairs to partitioning 4th floor - Administration	Regulation 36 (1)(a)(i)
26 - 03 - 2009	Peter George	24,100.00	5/6220/0601	Repairs to Agricultural Hall Roof	Regulation 36 (1)(a)(i)
26 - 03 - 2009	Avalon systems	39,951.12	5/9910/0071	Urgent Replacement of Wireless Network Equipment	Regulation 36 (1)(a)(i)
31 - 03 - 2009	Peter George	14,635.00	5/6220/0601	Repairs and replacement of old galvanised pipes at Mayor's Suites	Regulation 36 (1)(a)(i)
03 - 04 - 2009	Triamic Plant	9,758.40	1/6535/0770	Hire of Excavator at Stellenbosch Landfill Site	Regulation 36 (1)(a)(i)
03 - 04 - 2009	Blue EarthMoving	32,722.80	5/3305/0151	Cleaning of Veldwagters River After Bank Burst	Regulation 36 (1)(a)(i)
15 - 04 - 2009	Dreyer Cleaning Solutions	10,368.00	1/6530/2542	Hiring of emergency workers	Regulation 36 (1)(a)(i)
16 - 04 - 2009	Bearing Man	3,442.80	1/6607/2303	Emergency repair on conveyor belt at Compost plant at Stellenbosch Waste Water treatment Plant.	Regulation 36 (1)(a)(i)
23 - 04 - 2009	KBK Power Solutions	33,283.10	1/4420/2785	Repairs to 20 MVA 66/11kV Transformer No.1 at Franschoek Substation.	Regulation 36 (1)(a)(i)
23 - 04 - 2009	Amatipha Construction	2,475.00	1/5705/1215	Provision of meals for Langrug informal settlement	Regulation 36 (1)(a)(i)
05 - 05 - 2009	Eltest CC	3,807.60	1/1111/5002	Replacement of Faulty Rotary Switch	Regulation 36 (1)(a)(i)
15 - 05 - 2009	ABB	34,200.00	5/4400/1131	Repair to the VT at Paradyskloof Substation	Regulation 36 (1)(a)(i)
20 - 05 - 2009	Inyameko Trading	7,500.00	1/6651/2603	Replace roof to Eisenburg pump house	Regulation 36 (1)(a)(i)
26 - 05 - 2009	En-Masse Properties	60,000.00	5/6220/0571	Electrical Installation and repairs at Wemmershoek Community Hall	Regulation 36 (1)(a)(i)
29 - 05 - 2009	Trees Unlimited services	8,322.00	1/6606/2721	Emergency Tree work at No.5 Provinsielaan, Unie Park	Regulation 36 (1)(a)(i)
02 - 06 - 2009	Peninsula Water Treatment and Engineering CC	1,972.20	1/6651/1822	Supply and install new Measuring and calibration vessels.	Regulation 36 (1)(a)(i)
02 - 06 - 2009	Rhotech Alarms	3,500.00	1/6651/2001	Repairs to entrance gate at Paradyskloof Water Treatment Plant	Regulation 36 (1)(a)(i)
02 - 06 - 2009	Peninsula Water Treatment and Engineering CC	4,765.20	1/6651/1822	Improvement of inline filter and replacement thereof	Regulation 36 (1)(a)(i)
03 - 06 - 2009	CBI Electric	38,162.00	5/4400/0751	Emergency Repairs to 66 KV Cable leak between Jan Marais and Markotter Substation	Regulation 36 (1)(a)(i)
04 - 06 - 2009	RA Electrical	1,608.20	1/6605/2780	Replacement of electrical equipment on aeration basin	Regulation 36 (1)(a)(i)

Date of Adjudication	Supplier	Contract/ Order Amount	Account Number	Short Description of Goods/ Services Procured	Reason for deviation
05 - 06 - 2009	CBI Electric	31,863.27	5/4400/0751	Emergency Repairs to 66 KV Cable leak between Jan Marais and Markotter Substation	Regulation 36 (1)(a)(i)
05 - 06 - 2009	SMME Solutions	35,000.00	1/8120/0954	Developing a SMME Information Brochure	Regulation 36 (1)(a)(i)
05 - 06 - 2009	Pholo-Ka-Hola Trading and General Projects CC	8,958.32	1/9909/2721	Emergency repair of vandalised public toilets in Langrug, Franschhoek	Regulation 36 (1)(a)(i)
05 - 06 - 2009	CTFS	80,961.44	1/0625/9728	Repairs to Jet Machine	Regulation 36 (1)(a)(i)
06 - 06 - 2009	Dreyer Cleaning Solutions	11,538.00	1/6530/2542	Payment of emergency workers hired from 30 March 2009 - 03 April 2009	Regulation 36 (1)(a)(i)
11 - 06 - 2009	Dreyer Cleaning Solutions	13,536.00	1/6530/2542	Hiring of emergency workers	Regulation 36 (1)(a)(i)
12 - 06 - 2009	Gabion Construction and Mega Drain	136,056.00	8/0035/1105	Emergency works on bank of Eerste River in Thibault Street, Mostertsdrift.	Regulation 36 (1)(a)(i)
18 - 06 - 2009	CBI Electric	15,580.05	5/4400/0751	Emergency Repairs to 66 KV Cable leak between Jan Marais and University Substation	Regulation 36 (1)(a)(i)
18 - 06 - 2009	Kemanzi	53,546.48	1/6653/1420	Replace measuring cylinders	Regulation 36 (1)(a)(i)
18 - 06 - 2009	Leading Edge	18,270.78	5/6606/0211	Repairs to Stilling Well at Stellenbosch WWTW	Regulation 36 (1)(a)(i)
22 - 06 - 2009	Leading Edge	142,700.00	5/6606/0211	Supply and install required handrails and grating to make access area safe and incident free	Regulation 36 (1)(a)(i)
23 - 06 - 2009	AfriLine Civils (Pty) Ltd	29,797.32	1/6650/2480	Emergency Repairs on Water Mains in Stellenbosch	Regulation 36 (1)(a)(i)
23 - 06 - 2009	AfriLine Civils (Pty) Ltd	21,397.80	1/6650/2480	Emergency Replacement of 2 160mm valves and replacement of water main	Regulation 36 (1)(a)(i)
23 - 06 - 2009	AfriLine Civils (Pty) Ltd	26,459.40	1/6650/2480	Emergency Unblocking and Cleaning of intake and bulk supply system in Jonkershoek	Regulation 36 (1)(a)(i)
26 - 06 - 2009	Pholo-Ka-Hola Trading and General Projects CC	9,984.60	1/6606/2721	Emergency Cleaning of Public Facilities in Langrug	Regulation 36 (1)(a)(i)
26 - 06 - 2009	Bazamile Trading	27,790.00	1/6606/2721	Emergency Cleaning of Public Facilities in Kayamandi	Regulation 36 (1)(a)(i)
26 - 06 - 2009	Control Chemicals	2,188.80	1/6651/1420	Supply and Delivering of 6boxes of chlorine tablets.	Regulation 36 (1)(a)(i)
26 - 06 - 2009	O.R.C. Construction	5,000.00	1/6651/1420	Labourers for cleaning of filters	Regulation 36 (1)(a)(i)
26 - 06 - 2009	Surevac Logistics CC	20,007.00	1/6606/2721	Emergency Cleaning of buckets in Jamestown (Kreefgat)	Regulation 36 (1)(a)(i)
26 - 06 - 2009	Castle Hill	7,166.64	1/6606/2721	Emergency Cleaning of Public Facilities in Klampmuts	Regulation 36 (1)(a)(i)
<b>Deviations</b>					
28 - 07 - 2008	Triple E Training	33,792.00	1/9909/1071	Adult Basic Education and Training	Regulation 36 (1)(a)(v)
30 - 07 - 2008	Dennis Moss Partnership	154,213.50	1/3780/0928	Ratification of Professional Fees Payment	Regulation 36 (1)(a)(ii)
30 - 07 - 2008	Dennis Moss Partnership	112,295.70	1/3780/0928	Ratification of Professional Fees Payment	Regulation 36 (1)(a)(v)
07 - 08 - 2008	Mobile Electrical and Plumbing	53,470.61	5/6606/0481	Ratification of Electrical Repair Payments	Regulation 36 (1)(a)(v)
12 - 08 - 2008	Evolution Projects	27,075.00	1/2200/0928	Exercise Obtaining "Record of Decision" from DEADP	Regulation 36 (1)(a)(v)

Date of Adjudication	Supplier	Contract/ Order Amount	Account Number	Short Description of Goods/ Services Procured	Reason for deviation
13 - 08 - 2008	Bertie Contractors	2,565.00	5/3780/0441	Finalising 9compliance certificate in Watgang	Regulation 36 (1)(a)(v)
15 - 08 - 2008	Van Bijlon and Visser Architects	31,672.05	5/6220/0121	Professional Fees completion of additional Office space	Regulation 36 (1)(a)(v)
20 - 08 - 2008	Drakenstein Training Centre	8,171.52	1/7180/1071	Appointment of service provider for HAZMAT Operations Course	Regulation 36 (1)(a)(v)
20 - 08 - 2008	Drakenstein Training Centre	38,069.50	1/7180/1071	Appointment of service provider for Fire One Training Course	Regulation 36 (1)(a)(v)
25 - 08 - 2008	ABC Services;Thinksmart and Malachite	207,498.96	1/8110/0928; 1/7770/1489; 5/7770/0231	Maintenance of municipal website and SMS database	Regulation 36 (1)(a)(v)
31 - 08 - 2008	Dennis Moss Partnership	6,366,588.37	5/1100/0151	Planning and Design of Various soccer 2010 viewing stadiums and related facilities	Regulation 36 (1)(a)(ii)
02 - 09 - 2008	Thinksmart and Malachite	107,966.63	1/7770/1489; 5/7700/0231	Ongoing Maintenance and Upgrading of Website	Regulation 36 (1)(a)(ii)
04 - 09 - 2008	ABC Services	55,860.00	1/8110/0928	Ongoing Maintenance and Upgrading of SMS Database	Regulation 36 (1)(a)(ii)
04 - 09 - 2008	Racac	368,991.46	5/3780/0441	Electricity Infrastructure Watgang	Regulation 36 (1)(a)(v)
04 - 09 - 2008	Dynamic Skills Consultants	22,800.00	1/5710/1143	First-aid Training course	Regulation 36 (1)(a)(v)
05 - 09 - 2008	Braaff Transport Services	43,776.00	5/6606/0211	Removal and Disposal of wastewater sludge	Regulation 36 (1)(a)(v)
08 - 09 - 2008	Ninham Shand Consulting Engineers	32,400.00	1/6651/2724	To conduit required dam safety inspections	Regulation 36 (1)(a)(v)
09 - 09 - 2008	Urban Dynamic Western Cape	298,452.00	1/2200/0928; 1/9900/0928	Professional services rendered ito Stellenbosch Integrated Zoning Scheme	Regulation 36 (1)(a)(v)
09 - 09 - 2008	Actuans	8,000.00	1/7180/1071	Urgent Training Requirements	Regulation 36 (1)(a)(ii)
10 - 09 - 2008	Vusi Kama	60,000.00	1/1100/0939	Coordinator Stellenbosch 2010 Soccer World Cup Project Phase 1	Regulation 36 (1)(a)(v)
10 - 09 - 2008	Gene Louw Traffic College	10,709.83	1/9900/1071	K53 Training received	Regulation 36 (1)(a)(v)
16 - 09 - 2008	Barry Coetzer	40,159.19	5/8115/0411	Appointment of consultant to project manage Supply, Delivery and installation of wireless camera network	Regulation 36 (1)(a)(v)
29 - 09 - 2008	Dennis Moss Partnership	300,000.00	1/3780/0471	Preparation Urban Design Guidelines Portions G, H&K of Farm No.527, Jamestown	Regulation 36 (1)(a)(v)
30 - 09 - 2008	Dennis Moss Partnership	300,000.00	5/3780/0331	Complete exercise for the revision of the approved Kayamandi Development Framework including potential extensions.	Regulation 36 (1)(a)(v)
06 - 10 - 2008	K Muller-Nedebock	3,380.00	1/4410/2966; 5/4400/0721	Reading and Installation of bulk meters for period October to December 2008	Regulation 36 (1)(a)(v)
07 - 10 - 2008	Amiga Cleansing	24,441.60	1/2200/1268	Payment of Outstanding Monthly fees iro cleansing services	Regulation 36 (1)(a)(v)
20 - 10 - 2008	Hi Angle	48,450.00	1/7180/1071	Rope rescue training courses	Regulation 36 (1)(a)(v)
23 - 10 - 2008	Profence and Paving	13,100.00	8/0155/105	Upgrading of fence at Groendal sports facility	Regulation 36 (1)(a)(v)

Date of Adjudication	Supplier	Contract/ Order Amount	Account Number	Short Description of Goods/ Services Procured	Reason for deviation
23 - 10 - 2008	AU Africa Designs cc	45,588.15	1/1100/0939; 1/8115/0471	To Supply marketing material for Municipal Events	Regulation 36 (1)(a)(v)
23 - 10 - 2008	Afroteq Facilities Management	198,360.00	1/8125/0928	Extension of day-to-day management of Kayamandi Centre	Regulation 36 (1)(a)(v)
05 - 11 - 2008	Consolidated Power Projects	705,663.28	5/4400/0751	Installation of 4 66kV SF6 Outdoor Circuit Breakers at 2 Substations	Regulation 36 (1)(a)(v)
12 - 11 - 2008	Safety Mecca	130,000.00	1/7180/1053	Supplying T-Shirts For Municipal Sports Day	Regulation 36 (1)(a)(v)
17 - 11 - 2008	Vusi Kama	1,110,102.37	1/1100/0939	Coordinator Stellenbosch 2010 Soccer World Cup Project Phase 2	Regulation 36 (1)(a)(v)
18 - 11 - 2008	Peter the Builder, Concretex, Imba Plant	901,173.00	5/3784/0021	Palisade Fence on Erf 1406	Regulation 36 (1)(a)(v)
18 - 11 - 2008	hiring and Damion Burger	800.00	1/3750/0770	Hiring of Decorated Christmas Trees	Regulation 36 (1)(a)(ii)
	Linda Erasmus			Purchasing of Food for Municipal Sportsday 21 November 2008	Regulation 36 (1)(a)(v)
18 - 11 - 2008	Stellenbosch Superspar	29,980.00	1/7180/1053	Upgrading of All Chlorination Stations	Regulation 36 (1)(a)(ii)
19 - 11 - 2008	Maxal Projects SA (Pty) Ltd	600,000.00	5/6651/0141	Outstanding Siemens Account Payment	Regulation 36 (1)(a)(ii)
19 - 11 - 2008	Siemens	23,095.65	1/7800/2841	Appointment of Conveyancers	Regulation 36 (1)(a)(v)
19 - 11 - 2008	Van Heerden / Van der Walt	1,086,912.00	1/7720/1206	Ratification of Mayoral Tea Payments	Regulation 36 (1)(a)(v)
28 - 11 - 2008	C Leith	41,000.00	1/7800/1063	Locating leak in 66kv oil filled cable	Regulation 36 (1)(a)(v)
01 - 12 - 2008	CBI Electric: African Cables	64,817.46	1/4420/2120	Supplying medals for Mini 2010 Soccer Cup	Regulation 36 (1)(a)(v)
05 - 12 - 2008	Melco Engraving Supplies	1,129.33	1/1100/0939	Supplying 2 Crystal Glass Trophies	Regulation 36 (1)(a)(v)
05 - 12 - 2008	Innovative Glass Designs	2,451.00	1/1100/0939	Supply of Extra food Parcels for Mini 2010 Soccer Cup	Regulation 36 (1)(a)(v)
05 - 12 - 2008	Charfos Logistics	2,918.50	3/2060/0101	Project Manage Emergency services Erf1406	Regulation 36 (1)(a)(v)
11 - 12 - 2008	Dennis Moss Partnership	263,157.89	5/3780/0331	Kayamandi	Regulation 36 (1)(a)(v)
11 - 12 - 2008	Netgroup	11,300.00	1/4420/0928	Update Electricity Masterplan Project Costs	Regulation 36 (1)(a)(v)
18 - 12 - 2008	Kwezi V3 Engineers	399,808.51	5/3345/0071	Installation of Sport Ground Lights: Kayamandi	Regulation 36 (1)(a)(v)
				Appointment of contractors to project manage the emergency housing 360 units Watergang Kayamandi and to design civil and electrical services	Regulation 36 (1)(a)(v)
22 - 12 - 2008	Arcus Gibb	181,830.00	5/3780/0441	Supply, Delivery and Installation of Wireless Camera Network	Regulation 36 (1)(a)(v)
23 - 12 - 2008	Redhills Electronics and BST	327,569.88	5/8115/0401; 5/8115/0411; 5/8115/0421	Refurbish Damaged unit and re-commission transformer No.3	Regulation 36 (1)(a)(v)
16 - 01 - 2009	Electro Inductive Industries	1,500,000.00	5/4400/0751	Appointment of Consultant for IDP Chapter 3: Analysis Information	Regulation 36 (1)(a)(v)
23 - 01 - 2009	Larry Zietsman	15,000.00	1/8115/0928	Appointment as Service Provider for Learner Law Enforcement Training	Regulation 36 (1)(a)(v)
26 - 01 - 2009	Charlotte Blake	24,129.60	1/5710/1143	Appointment of consultants and contractors in Langrug, Franschhoek	Regulation 36 (1)(a)(v)
02 - 02 - 2009	Planning Partners; KV3; RJM Civils and David Hellig and Abrahams	855,912.00	5/3780/0501	Production of an Urban Design Framework for Erf 412	Regulation 36 (1)(a)(v)
10 - 02 - 2009	City Think Space	231,485.00	1/2200/0928		Regulation 36 (1)(a)(v)



Date of Adjudication	Supplier	Contract/ Order Amount	Account Number	Short Description of Goods/ Services Procured	Reason for deviation
16 - 02 - 2009	Messrs SEF	276,925.38	1/3780/0471	Consultancy services for Rezoning and Subdivision of Farm 527	Regulation 36 (1)(a)(v)
20 - 02 - 2009	Solid Rock Security Services and Franschoek Estate Security	499,244.99	Various Security accounts	Extension of Security Services at Various Municipal Buildings/Sites	Regulation 36 (1)(a)(v)
24 - 02 - 2009	Hannes Pretorius and Bock&Isaacs Attorneys	24,129.60	1/5710/1143	Law Enforcement Course Training	Regulation 36 (1)(a)(v)
25 - 02 - 2009	Actaris	581,128.38	1/4410/0419	Extension of Vending Contract	Regulation 36 (1)(a)(v)
26 - 02 - 2009	Eikestad Motors	420,810.00	5/9900/0231	Supply and Delivery of Mayoral Vehicle	Regulation 36 (1)(a)(v)
26 - 02 - 2009	Telkom	254,458.64	1/7800/1332	Extension of Telkom VPN contract to expire 28 February 2010	Regulation 36 (1)(a)(v)
03 - 03 - 2009	Volkswagen Stellenbosch	291,649.92	5/9900/0231	Supply and Delivery of 4 sedan vehicles	Regulation 36 (1)(a)(v)
03 - 03 - 2009	Bazamile Trading & Nindyz Contractor & PAG security	1/8125/1268 ; 1/8125/2064 ;		Supply of cleaning, landscaping and security services at Economic tourism Centre	Regulation 36 (1)(a)(v)
06 - 03 - 2009	Durcharme Consulting	233,730.64	1/8125/1267	GRAP standards implementation	Regulation 36 (1)(a)(v)
10 - 03 - 2009	Spectrum Communications	599,070.00	1/9906/1600		
10 - 03 - 2009	Environment Action & M Manweni and MM & Burger excavations CC	21,020.00	5/4400/1121	Implementation of SCADA telemetry systems	Regulation 36 (1)(a)(v)
10 - 03 - 2009	M Manweni; Maureen Mbola; Burger Excavations CC and Environmental Action	420,000.00	1/6540/2542	Appointment of service providers to completed the upgrading of Langrug.	Regulation 36 (1)(a)(v)
10 - 03 - 2009	Surevac Logistics	420,000.00	1/6540/2542	Cleaning of Langrug Informal Settlement	Regulation 36 (1)(a)(v)
12 - 03 - 2009	Anneke De Kock Environmental Consultant	7,866.00	1/3300/1209	Cleaning of septic tank at Jonkershoek picnic site	Regulation 36 (1)(a)(v)
03 - 04 - 2009		32,320.00	1/1100/0928	Appointment of an independent environmental consultant	Regulation 36 (1)(a)(v)
03 - 04 - 2009	Jan Palm Consulting Engineers			Professional services to provide updated future waste management scenarios for Stellenbosch	Regulation 36 (1)(a)(v)
21 - 04 - 2009	Siemens	42,000.00	1/1100/0928	Upgrade of PABX Systems	Regulation 36 (1)(a)(v)
28 - 04 - 2009	Cape Concrete	276,083.28	5/9910/0071	Provide 40 Concrete Streetlights Poles	Regulation 36 (1)(a)(v)
28 - 04 - 2009	Redhills Electronics and BST	55,449.60	5/3751/0041	Supply, Delivery and Installation of Wireless Camera Network	Regulation 36 (1)(a)(v)
28 - 04 - 2009	GP Training	116,169.42	5/8115/0671	Appointment service provider to provide training for learners and drivers licenses to employees of Public Safety	Regulation 36 (1)(a)(v)
30 - 04 - 2009	Deon's Roof and Painting	63,000.00	1/5710/1143	Appointment service provider to complete the repair and painting of new Andringa Street Offices.	Regulation 36 (1)(a)(v)
30 - 04 - 2009	Africon	34,500.00	5/6220/0601		
30 - 04 - 2009			3/6200/0202 or 1/9900/1600	To Develop a GRAP compliant Asset Register	Regulation 36 (1)(a)(v)
30 - 04 - 2009	Zoneminder	764,578.32	5/5710/0131;	Upgrading CCTV System Plein Street Building	Regulation 36 (1)(a)(v)
30 - 04 - 2009	Requard C.E. Contractors	402,279.78	5/8115/0401	56 Middle Income Houses Franschoek	Regulation 36 (1)(a)(v)
		184,254.03	5/3780/0691		

Date of Adjudication	Supplier	Contract/ Order Amount	Account Number	Short Description of Goods/ Services Procured	Reason for deviation
30 - 04 - 2009	KV3; RJM Civils and Adenco	1,898,388.00	5/3780/0501	Appointment of contractors to supply and install all damaged and vandalised civil and electrical services at Mooiwater 301 Franschoek	Regulation 36 (1)(a)(v)
06 - 05 - 2009	Africon	10,545.00	1/5710/1143	Survey Costs of Driver's License Test Yard	Regulation 36 (1)(a)(v)
08 - 05 - 2009	Billy Hadlow	6,000.00	1/8115/0471	Presentation to Council on Work for Hope project	Regulation 36 (1)(a)(v)
21 - 05 - 2009	HPS	249,546.00	5/5141/0331	Supply and Installation of CABA compressor	Regulation 36 (1)(a)(v)
21 - 05 - 2009	Angus Fire	70,794.00	5/5120/0351	Foam Generator	Regulation 36 (1)(a)(ii)
25 - 05 - 2009	Hi Angle	39,935.00	5/5120/1121	Rope rescue training courses	Regulation 36 (1)(a)(ii)
26 - 05 - 2009	VeroTest	66,764.84	5/4400/1121	Arc Reflection Filter	Regulation 36 (1)(a)(v)
11 - 06 - 2009	Jultra Electrical and Maintenance	400,000.00	5/4400/2281	Extension of contract to complete house connections	Regulation 36 (1)(a)(v)

Keys: Reason for Deviation

Regulation 36 (1)(a)(i)

Emergency

Sole Supplier

Circumstances where it is impracticable to follow Supply Chain Process

Regulation 36 (1)(a)(ii)

Regulation 36 (1)(a)(v)

## APPENDIX H

### DISCLOSURE IN TERMS OF PARAGRAPH 25 OF IPSAS 20

#### COUNCILLORS

Ladykeate Gebou	EL Maree
Rosenview Estates	G Bruwer
Rosenview Estates	G Bruwer
Breughel Teatergroep	PW Biscombe
Gen and Joe's Flowers and Cleanig Services	J Andrews
Lavender Moon Trading 276	J Andrews
Stellenbosch Besigheidswag	JGB Giliomee
Siyathembana Trading 166	NA Mgijima
Sunny Sky Projects 135	EJ Williams
E W S Sekuriteit	JG van Zyl
LCC Tuindienste en vervoer	L Conradie
Amam Exploration	JC Anthony
Sizisa Ukhanyo Trading 363	MR Doro
Duze -Maboza Planners	N Duze
Lizaan Transport Services	L Morta
Jahoa Investments	AN Smit
Re Ya Hae Funeral Parlour	LN Siwakamisa
Re Ya Hae Funeral Parlour	LN Siwakamisa
Abathathu Valuers	MD Oliphant
Shubani Trading	K Shubani
Jovic Motors	FH Christians
Serdyn Filtration	JP Serdyn
Gen and Joe's Flowers and Cleaning Services	J Andrews

#### STAFF

Southern Ambition 706	RB Muller
Cyberplan	MM Mupariwa
Maboza Development Planners	N Duze
Divine Inspiration Trading 347	N Duze
Grimbreek E Mazantsi	N Duze
Ithuba Communications CC	L Kenned

Wilton - Zimri Consulting	ALR Wilton
Axios Investments	ALR Wilton
Wild Wind Investments 53	A Hosain
EVDM Town Planning Services	AP van der Merwe
Family tree Products	ALR Wilton
Quantum Leap Travel	ALR Wilton
A-Z Events Management	ALR Wilton
Inyameko Trading 869	MM Mupariwa